Manitoba Finance

Ministère des Finances

Annual Report 2007-2008

Rapport annuel 2007-2008

Manitoba

MINISTER OF FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

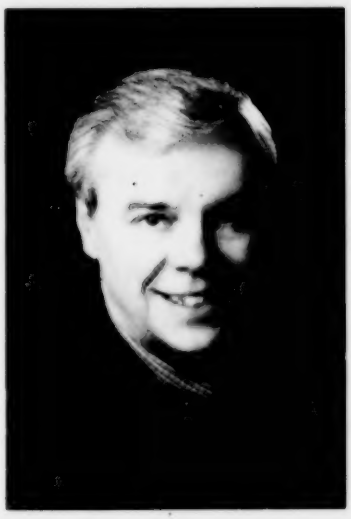
His Honour the Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the year ended March 31, 2008.

Respectfully submitted,

Honourable Greg Selinger
Minister of Finance



MINISTER OF FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Son Honneur l'honorable John Harvard, C.P., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

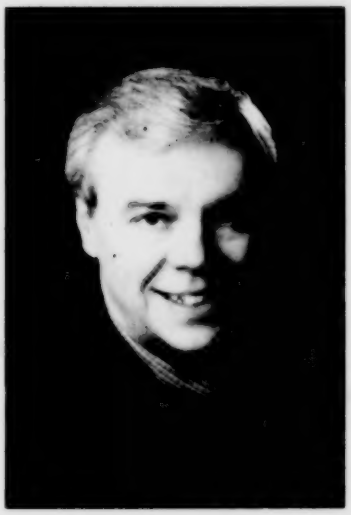
Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le rapport annuel du ministère des Finances pour l'année financière terminée le 31 mars 2008.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger



Manitoba

Deputy Minister of Finance
Room 109, Legislative Building, Manitoba, Canada R3C 0V8
www.manitoba.ca

Honourable Greg Selinger
Minister of Finance
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Selinger:

I have the honour of presenting for your consideration, the Annual Report of Manitoba Finance for the fiscal year ended March 31, 2008.

Respectfully submitted,

Diane Gray
Deputy Minister of Finance

TABLE OF CONTENTS/TABLE DES MATIÈRES

Title	Page
Preface/Préface	8
Statutory Responsibilities	12
Organization Chart	14
Administration and Finance Division	15
Minister's Salary	15
Executive Support	15
Financial and Administrative Services	15
Tax Appeals Commission	16
Human Resource Services	16
Information Technology Management	18
Independent Administrator	19
Insurance and Risk Management	19
Francophone Affairs Secretariat	22
Treasury Division	24
Administration	25
Capital Markets	25
Treasury and Banking Operations	27
Public Debt	29
Comptroller Division	31
Comptroller's Office	31
Internal Audit and Consulting Services	31
Disbursements and Accounting	32
Taxation Division	33
Comparative Statement of Actual Revenues	33
Management and Research	34
Taxation Administration	35
Audit	38
Tobacco Interdiction	40
Federal-Provincial Relations and Research Division	42
Economic and Federal-Provincial Research	42
Intergovernmental Finance	42
Revenue from Federal-Provincial Fiscal Arrangements	43
Economic and Fiscal Analysis	43
Taxation Analysis	44
Net Tax Credit Payments	44
Administrative Unit	45
Manitoba Tax Assistance Office	45
Treasury Board Secretariat	46
Fiscal Management and Capital Planning	46
Analytical Units	47
Expenditure Management and Continuous Improvement	47
Co-ordination of Special Operating Agencies	47
Labour Relations	48
Compensation Services	48
Benefits Administration	48
Negotiation Services	49
Contract Administration	49
Consumer and Corporate Affairs Division	50
Administration and Research	50
Consumers' Bureau	51
Residential Tenancies Branch	57
Financial Institutions Regulation Branch	61
Claimant Adviser Office – Automobile Injury Compensation Appeals	67
Automobile Injury Compensation Appeal Commission	70
Residential Tenancies Commission	72
Capital Investment (Part B)	75
Sustainable Development	75
Financial Information	
Reconciliation Statement	76
Expenditure Summary by Appropriation (Part A)	77
Revenue Summary by Source	84
Five-Year Expenditure and Staffing Summary by Main Appropriation	89
Performance Reporting	90
The Public Interest Disclosure (Whistleblower Protection) Act	92

This document will be available in both English and French on the internet at www.gov.mb.ca/finance after October 30, 2008.
Ce document sera disponible en anglais et en français sur Internet à l'adresse www.gov.mb.ca/finance après le 30 octobre 2008.

PREFACE/PRÉFACE

The overall responsibilities of the Minister and the department include:

preparing the annual Provincial Budget;

management and control of government expenditures and revenues and the evaluation of government programs;

providing policy direction on matters relating to financial management and administration and ensuring appropriate government-wide management practices and systems;

ensuring accountability for the delivery of government programs;

management and administration of the Consolidated Fund, which includes maintaining the provincial accounting and financial reporting systems, and the preparation of the annual Public Accounts and other reports which show the financial condition of the government;

managing daily cash requirements, the public debt, the investment of public money, and of loans and advances made, and guarantees given, by the government;

analysing and appraising the economic situation and prospects in Manitoba in co-operation with other ministries as appropriate;

advising on fiscal and other economic policies and measures including taxation;

advising on policies relating to Federal-Provincial fiscal and economic relations;

representing the province in negotiations and participating in meetings related to finance, taxation and economic development;

managing the province's financial assets and liabilities;

insuring government assets and managing risk; and

Les responsabilités globales du ministre et du ministère consistent à :

préparer le budget annuel provincial;

gérer et contrôler les dépenses et les recettes du gouvernement et évaluer les programmes gouvernementaux;

établir des directives en matière de gestion et d'administration financière et garantir des pratiques et des mécanismes de gestion appropriés pour l'ensemble du gouvernement;

garantir l'obligation de rendre compte en ce qui concerne la mise en œuvre des programmes gouvernementaux;

gérer et administrer le Trésor, ce qui signifie notamment : maintenir les systèmes de comptabilité et de rapport de la province, préparer les comptes publics annuels et les autres rapports qui montrent la situation financière du gouvernement;

gérer les besoins quotidiens de trésorerie, la dette publique, l'investissement de l'argent public, ainsi que les prêts, les avances et les garanties offerts par le gouvernement;

analyser et évaluer la situation économique et les perspectives du Manitoba en collaboration avec les autres ministères, lorsqu'il y a lieu;

donner des conseils sur les politiques et mesures fiscales et économiques, y compris les taxes;

donner des conseils sur les politiques concernant les relations fiscales et économiques entre le fédéral et la province;

représenter la province lors des négociations et participer aux réunions portant sur les finances, les taxes et le développement économique;

gérer l'actif et le passif de la province;

garantir l'actif du gouvernement et gérer les risques;

fostering business and consumer confidence in the marketplace and administering a regulatory framework that contributes to a competitive Manitoba economy.

Through its efforts, the department manages strategic, financial and operational risks at a corporate level so that the value government obtains for money expended, and for revenues owing and received, is optimized.

The departmental organization structure appears in the chart on page 14. The department is comprised of six operating divisions, as well as the Francophone Affairs Secretariat and the Treasury Board Secretariat.

The Administration and Finance Division provides executive administration, planning and management of departmental policies and programs. The Executive Support area of the division includes the Deputy Minister of Finance and provides advice to the Minister on all policy and program matters related to the department. Executive Support also co-ordinates and administers the activities of the department to meet the policy objectives of government.

The division also co-ordinates the department's financial, administrative and human resource functions and includes the Tax Appeal Commission, Independent Administrator and the Insurance and Risk Management Branch. The Insurance and Risk Management Branch provides centralized insurance and risk management services to government departments and agencies, including most Crown corporations.

The Francophone Affairs Secretariat advises the government, and in particular the Minister responsible for French Language Services (FLS), on the development of government services in the French language, and on matters relating to the FLS policy in general.

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division also assists in the financing of municipalities, schools and hospitals and ensures that such financing is arranged.

favoriser la confiance des entreprises et des consommateurs envers le marché et administrer un cadre législatif qui contribue à la compétitivité de l'économie manitobaine.

Grâce à ses efforts, le ministère gère les risques stratégiques, financiers et d'exploitation au niveau de l'organisation, de façon à obtenir le meilleur rendement possible des dépenses effectuées par le gouvernement et des revenus qu'il possède et perçoit.

La structure de l'organisation du ministère est représentée dans un graphique en page 14. Le ministère est constitué de six divisions opérationnelles, auxquelles il faut ajouter le Secrétariat aux affaires francophones et le Secrétariat du Conseil du Trésor.

La Division de l'administration et des finances s'occupe de la haute administration ainsi que de la planification et de la gestion des politiques et des programmes du ministère. Le cabinet du ministre et le bureau du sous-ministre conseillent le ministre sur toutes les politiques et tous les programmes liés au ministère. De plus, le cabinet du ministre et le bureau du sous-ministre coordonnent et administrent les activités mises en œuvre par le ministère afin d'atteindre les objectifs du gouvernement en matière de politiques.

La Division gère les ressources humaines du ministère et coordonne ses fonctions financières et administratives. Elle regroupe aussi la Commission d'appel des impôts et des taxes, l'administrateur indépendant ainsi que la Direction de l'assurance et de la gestion des risques. Cette dernière fournit des services centralisés d'assurance et de gestion des risques aux organismes et ministères gouvernementaux, y compris la plupart des sociétés de la Couronne.

Le Secrétariat aux affaires francophones conseille le gouvernement, en particulier le ministre responsable des services en langue française, au sujet de l'élaboration et de la mise en œuvre des services gouvernementaux en français, ainsi que sur toutes les questions liées à la politique des services en langue française en général.

La Division de la trésorerie gère et administre les ressources de trésorerie, les programmes d'emprunt, les investissements et le service de la dette du gouvernement. Elle gère et administre également les programmes d'emprunt et les investissements des sociétés de la Couronne et des organismes gouvernementaux. La Division de la trésorerie participe au financement des municipalités, des écoles et des hôpitaux, et elle s'assure que les modalités de ce financement sont déterminées.

The Comptroller Division is responsible for establishing and fostering a corporate comptrollership function across government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements.

The Taxation Division is responsible for efficiently and effectively administering the Provincial Taxation Acts and ensuring proper revenues are collected as provided in the Acts. This includes the administration, collection, processing and reporting of taxation revenues, as well as the provision of tax expertise to government, businesses collecting taxes and taxpayers. The division also investigates and audits taxpayers to ensure compliance.

The Federal-Provincial Relations and Research Division provides research and technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental financial relations. The division also administers fiscal arrangements and tax collection agreements with the federal government, administers tax credit programs with the federal government and municipalities, and provides government-wide analytical support to inter-departmental working groups.

The Treasury Board Secretariat provides financial and analytical support and advice to the Minister of Finance and Treasury Board in fulfilling expenditure management responsibilities and provides representation of government and department management in all labour relations and compensation activities within the civil service. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

The Consumer and Corporate Affairs Division facilitates the resolution of disputes between consumers and businesses and tenants and landlords. The division also administers legislation for incorporation and registration of businesses, licensing of trust and loan corporations, credit unions and caisses populaires, licensing companies and individuals involved in the sale of securities, real estate, insurance and raising capital, and maintains registries of vital events and of interests in land and personal property.

La Division du contrôleur est chargée d'établir et de développer une fonction de contrôle pour l'ensemble du gouvernement. Celle-ci inclut l'élaboration et la mise en œuvre de systèmes financiers et de gestion qui apportent un soutien en ce qui concerne la prise de décision aux niveaux législatif et gouvernemental, l'efficacité de la prestation des services et les exigences liées à l'obligation de rendre compte. La Division est chargée d'établir et de contrôler les systèmes de débours pour payer les employés et les autres prestataires des fonds gouvernementaux.

La Division des taxes est chargée de mettre en application de façon complète et efficace des lois provinciales sur les taxes et les impôts, et de faire en sorte que les recettes prévues soient perçues conformément aux dispositions des lois. Cela inclut l'administration, la perception, le traitement et la communication des recettes fiscales, ainsi que des conseils prodigués au gouvernement, aux entreprises qui perçoivent des taxes et aux contribuables. La Division effectue aussi des enquêtes et des vérifications auprès des contribuables pour s'assurer que les lois fiscales sont bien respectées.

La Division des relations fédérales-provinciales et de la recherche apporte une aide en terme de recherche, de technique et d'analyse sur les questions économiques et fiscales (tant nationales que provinciales) et sur les relations intergouvernementales de nature financière. La Division veille à l'application des arrangements fiscaux et des ententes de perception fiscale avec le gouvernement fédéral. Elle administre les programmes de crédits d'impôts avec le gouvernement fédéral et les municipalités. Elle aide aussi les groupes de travail interministériels dans le domaine de l'analyse, pour l'ensemble du gouvernement.

Le Secrétariat du Conseil du Trésor apporte au ministre des Finances et au Conseil du Trésor de l'aide et des conseils en matière de finances et d'analyse, leur permettant ainsi d'exercer leurs responsabilités dans la gestion des dépenses. Le Secrétariat agit en tant que représentant du gouvernement et du ministère dans toutes les relations de travail et toutes les activités de compensation au sein de la fonction publique. L'organisme est placé sous la responsabilité d'un sous-ministre qui agit à titre de secrétaire du Conseil du Trésor.

La Division de la consommation et des corporations facilite la résolution des conflits entre consommateurs et entreprises, ainsi qu'entre locataires et locateurs. La Division veille également à l'application des lois et des règlements qui touchent les aspects suivants: la constitution en corporation et l'enregistrement des entreprises; la délivrance de permis aux corporations de

The divisional text of this report is formatted along the same lines as the appropriation structure for the department that is used in the Estimates of Expenditure of the Province of Manitoba. This formatting will assist with cross-referencing the two documents. Exceptions to this format have been made for the Insurance and Risk Management branch, Net Tax Credit Payments and Public Debt. These areas have been included within the divisions responsible for their administration.

The department also encompasses the Vital Statistics Agency, Manitoba Securities Commission, The Property Registry and the Companies Office. These Special Operating Agencies prepare and present their own annual reports and are not included in this document.

fiducie, aux corporations de prêt, aux credit unions et aux caisses populaires; la délivrance de permis aux compagnies et aux particuliers qui vendent des valeurs mobilières, des biens immobiliers ou des contrats d'assurance, ou qui s'occupent de réunir des fonds. La Division maintient aussi des registres d'état civil et les registres des droits sur des biens réels et personnels.

La division du texte de ce rapport reflète la structure des crédits du ministère utilisée dans le Budget des dépenses du Manitoba. Ce formatage facilite la recherche croisée entre les deux documents. Seuls le paiement net des crédits d'impôt, la Direction de l'assurance et de la gestion des risques, et la dette publique sont formatés autrement. Ces secteurs ont été inclus à l'intérieur des divisions chargées de leur administration.

Le ministère englobe également le Bureau de l'état civil, la Commission des valeurs mobilières du Manitoba, l'Office d'enregistrement des titres et des instruments et l'Office des compagnies. Ces organismes de service spécial préparent et présentent leurs propres rapports annuels et ne sont pas compris dans le présent document.

STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

	Continuing Consolidation Chapter
The Balanced Budget, Debt Repayment and Taxpayer Accountability Act	B 5
The Business Names Registration Act	B 110
The Business Practices Act	B120
The Title to Certain Lands Act (R.S.M. 1990, c. 259)	-
The Change of Name Act	C 50
The Charities Endorsement Act	C 60
The Commodity Futures Act	C 152
The Condominium Act	C 170
The Consumer Protection Act	C 200
The Cooperatives Act	C 223
The Corporations Act	C 225
The Corporation Capital Tax Act	C 226
The Credit Unions and Caisses Populaires Act	C 301
The Crocus Investment Fund Act (Section 11)	C 308
The Crown Corporations Public Review and Accountability Act	C 336
The Electronic Commerce and Information Act (Part 5)	E 55
The Embalmers and Funeral Directors Act	E 70
The Energy Rate Stabilization Act	E 115
The Manitoba Evidence Act (Parts II and III)	E 150
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Fiscal Stabilization Fund Act	F 85
The Gasoline Tax Act	G 40
The Health and Post Secondary Education Tax Levy Act	H 24
The Professional Home Economists Act	H 70
The Hospital Capital Financing Authority Act	H 125
The Housing and Renewal Corporation Act [clause 44(k)]	H 160
The Hudson's Bay Company Land Register Act	H 170
The Income Tax Act (except sections 11.8 to 11.12)	I 10
The Insurance Act	I 40
The Insurance Corporations Tax Act	I 50
The Manitoba Investment Pool Authority Act	I 100
The Labour-Sponsored Venture Capital Corporations Act (except Part 2 and sections 16 to 18 as they relate to Part 2)	L 12
The Landlord and Tenant Act	L 70
The Life Leases Act	L 130
The Marriage Act	M 50
The Manitoba Hydro Act	H 190
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Mortgage Act (Part III)	M 200
The Mortgage Dealers Act	M 210
The Motive Fuel Tax Act	M 220
The Municipal Revenue (Grants and Taxation) Act (except Part 2)	M 265

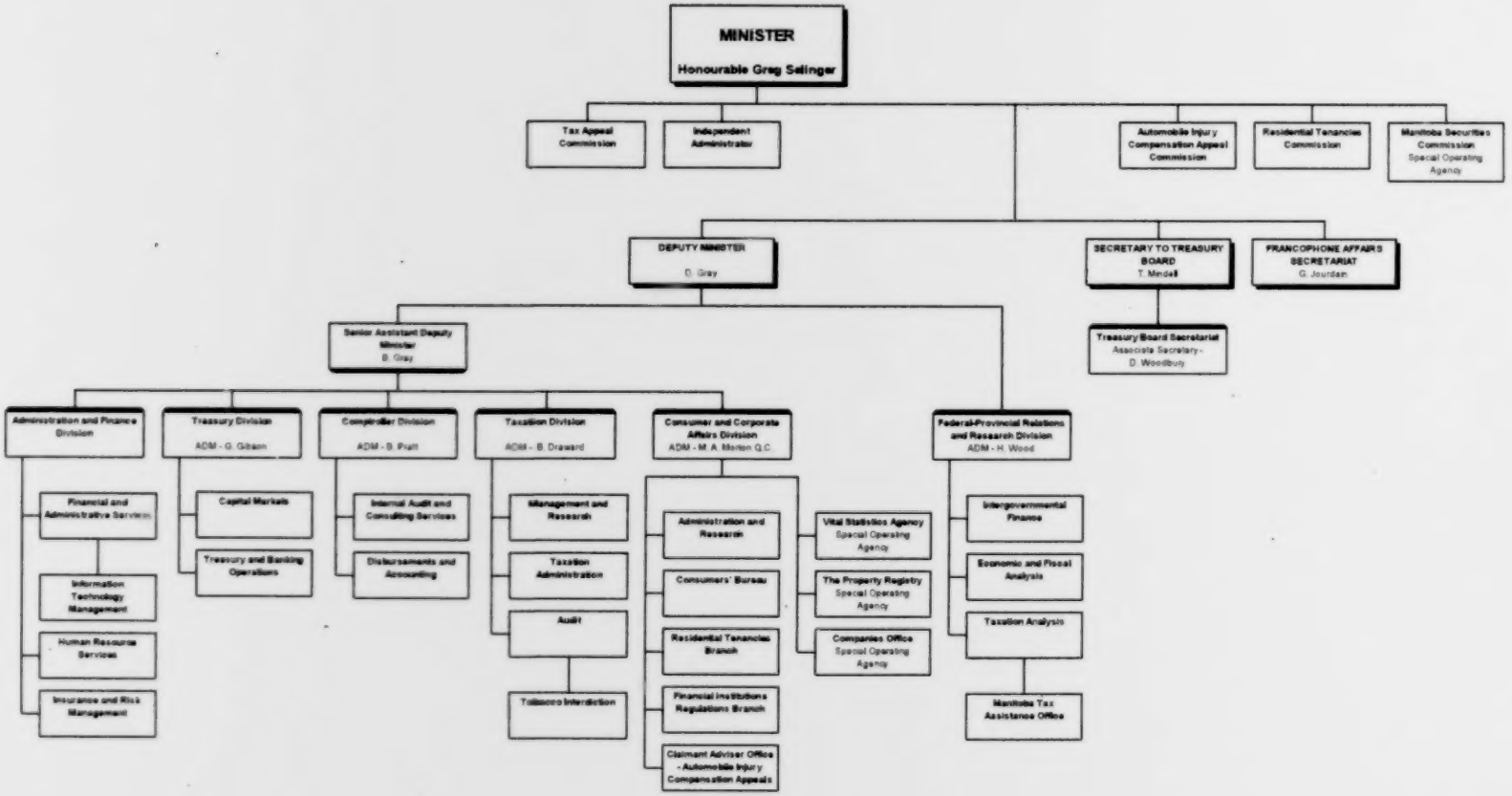
STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

	Continuing Consolidation Chapter
The Pari-Mutuel Levy Act	P12
The Partnership Act	P 30
The Personal Investigations Act	P 34
The Personal Property Security Act	P 35
The Property Tax and Insulation Assistance Act (Parts I, III, IV and V.1, and section 1 and Part VI as they relate to subjects covered under Parts I, III, IV and V.1)	P 143
The Public Officers Act	P 230
The Public Sector Compensation Disclosure Act (S.M. 1996, c. 60)	P 265
The Real Estate Brokers Act	R 20
The Real Property Act	R 30
The Registry Act	R 50
The Religious Societies' Lands Act	R 70
The Residential Tenancies Act	R 119
The Retail Sales Tax Act	R 130
The Succession Duty Act (S.M. 1988-89, c. 42)	-
The Securities Act	S 50
The Special Survey Act	S 190
The Suitors' Moneys Act	S 220
The Surveys Act (Part I)	S 240
The Tax Administration and Miscellaneous Taxes Act	T2
The Tax Appeals Commission Act	T 3
The Tobacco Tax Act	T 80
The Trade Practices Inquiry Act	T 110
The Vital Statistics Act	V 60

and:

Bedding, Upholstered and Stuffed Articles Regulation (Manitoba Regulation 78/2004) under The Public Health Act

Manitoba Finance
Organization Chart



ADMINISTRATION AND FINANCE DIVISION

The Administration and Finance Division provides executive administration, planning and management of departmental policies and programs. It includes support services and centralized co-ordination of financial, administrative and human resource functions as well as the Tax Appeal Commission, Independent Administrator and the Insurance and Risk Management program.

Executive Support

The office of the Minister provides additional compensation to which individuals appointed to the Executive Council are entitled.

The Executive Support unit provides advice to the Minister on all policy and program matters related to the department, co-ordinates and administers the activities of the department to meet government policy objectives and provides administrative support for the Offices of the Minister, Deputy Minister and Senior Assistant Deputy Minister.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Minister's Salary	42.1	1.00	31.0	11.1	1
Total Sub-Appropriation	**42.1**	**1.00**	**31.0**	**11.1**	

1. *Over expenditure is due to the in-year increase in the compensation to which an individual appointed to the Executive Council is entitled.*

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	531.2	7.00	485.2	46.0	
Other Expenditures	126.0		90.7	35.3	1
Total Sub-Appropriation	**657.2**	**7.00**	**575.9**	**81.3**	

1. *Over expenditure is due to costs associated with the establishment of the Senior Assistant Deputy Minister's office.*

Financial and Administrative Services

The Financial and Administrative Services branch is responsible for ensuring appropriate management of and accountability for the department's resources. This encompasses the development and implementation of departmental financial and administrative policies, processes and practices; ensuring compliance with government legislation, policies and procedures; providing accounting and administrative services to the department; and providing analytical and consultative support services to the department's operating divisions.

Branch activities encompass planning, organizing and evaluating departmental accounting and financial management activities related to financial reporting, expenditure and revenue processing and appropriation control. Specific activities include co-ordinating and supporting the development of the department's annual estimates, quarterly financial forecasts and reports, requests for office accommodation, telecommunication services and government vehicles. The branch also co-ordinates the department's records management program and administers the department's parking program.

1 (c) **Financial and Administrative Services**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	372.2	8.00	546.0	(173.8)	1
Other Expenditures	102.1		76.1	26.0	2
Total Sub-Appropriation	**474.3**	**8.00**	**622.1**	**(147.8)**	

1. *Under expenditure is due to position vacancies.*
2. *Over expenditure is due to office renovations.*

Tax Appeals Commission

The *Tax Appeals Commission Act* provides for the appointment of one or more commissioners for the purpose of dealing with appeals filed by taxpayers who disagree with assessments issued by the Taxation Division. The commission's responsibilities were expanded July 1, 2005 to include appeals for all tax statutes administered by the Taxation Division. The Tax Appeals Commission provides taxpayers with an objective review of a taxpayer's appeal, independent of the taxation officials who issued the assessment.

The activity of the commission and results for 2007/2008 are as follows:

Outstanding appeals as at March 31, 2007	20
Appeals received in 2007/2008	32
	52
Disposition of Appeals in 2007/2008	
Partially Denied	5
Denied	17
Late - Not Accepted	1
Referred to Taxation (not an appeal issue)	2
Upheld	0
Withdrawn	2
	27
Outstanding appeals as at March 31, 2008	25

1 (d) **Tax Appeals Commission**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Tax Appeals Commission	17.9		18.3	(0.4)	
Total Sub-Appropriation	**17.9**		**18.3**	**(0.4)**	

Human Resource Services

The branch provides human resource services to departmental management and staff of the Departments of Finance and its Special Operating Agencies (SOAs), Culture Heritage Tourism and Sport, Science, Technology, Energy and Mines and the Office of the Auditor General in accordance with *The Civil Service Act*, Manitoba Government Employees' Union (MGEU) Master Agreement, Manitoba Labour Laws and Workplace Health and Safety Legislation. These services include staffing, employment equity, job analysis and classification, employee counselling, labour relations, and pay and benefits administration. These departments also share resources for the branch management, training and development, renewal planning, and diversity program development.

Specific activities of Human Resource Services during 2007/2008 that related to Manitoba Finance included:

Diversity

The branch continues to co-ordinate the implementation of government-wide policies and initiatives.

Four designated groups have been identified as under-represented and include women in non-traditional occupations, Aboriginal people, persons with disabilities and visible minorities. The long-range goal is to have the Manitoba Civil Service reflect the diversity of the population in all job classifications, taking into account relevant labour force data.

Employment Equity Statistics as at Fiscal Year End (includes Special Operating Agencies)

	2004/2005 Actual (%)	2005/2006 Actual (%)	2006/2007 Actual (%)	2007/2008 Actual (%)
Aboriginal	5.3	6.6	8.0	8.7
Women	60.8	61.7	62.6	63.1
Persons with Disability	3.3	4.2	3.9	4.2
Visible Minority	6.7	7.6	7.6	8.2

Payroll and Benefits

During the course of the year, the branch maintained payroll records for 898 employees and board members. Maintained comprehensive attendance and payroll information on the corporate human resource/payroll system (SAP). Provided counselling and information on 97 appointments, 30 retirements, 1 death benefit, and 8 long term disability claims to employees and their family members.

Recruitment and Selection

Eighty-one regular positions were filled through competition and twenty-eight regular positions were filled through various direct appointments.

Position Classification

Prepared detailed classification analysis on 49 reclassification requests under delegated and non-delegated authority.

Labour Relations

Consulted with departmental management/supervisory personnel, employees and the MGEU in the resolution of numerous labour relations' issues, which included the filing of 4 formal grievances.

Staff and Organizational Development

Staff Development: Staff members attended learning events. Topics covered included diversity, learning plans, leadership, respectful workplace and various HR modules – staffing, classification, managing under the collective agreement, etc.

Organizational Development: The branch provided consultation and facilitation in the areas of Renewal Planning, specifically Diversity Action Planning.

Occupational Health and Safety

One accident/injury claim was reported over this time period involving no days lost.

1 (f) Human Resource Services

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	524.3	9.00	593.7	(69.4)	
Other Expenditures	47.6		87.3	(39.7)	*1*
Total Sub-Appropriation	**571.9**	**9.00**	**681.0**	**(109.1)**	

1. Under expenditure is essentially due to cost recoveries from SOAs for human resource services provided and a rationalization of general operating expenditures.

Information Technology Management

The Information Technology Management branch maximizes the benefits of Manitoba Finance's Information Communication Technology investments. The branch also acts as a liaison between the department and the newly created Information Communication Technology (ICT) Services Manitoba, supporting the achievement of the department's business mission and strategic and tactical plans.

The Information Technology Management branch establishes organization and processes so that:

- ICT investments are aligned with program needs
- ICT enables the program goals and maximizes the investments
- ICT resources are used responsibly
- ICT risks are managed appropriately

The branch has 5.25 staff positions and resources for the performance of the following major functions:

- Customer relationship management, business analysis, requirements definition, business case development, project management and enterprise portfolio management;
- Strategic Information Technology (IT) planning, IT governance and control, financial management, project management, contract, license and asset management, and Service Level Agreement (SLA) management;
- Business architecture, data stewardship, information management and providing business technology expertise and consulting services in support of the business needs;
- IT risk identification and protection, and the development, implementation and testing of business continuity and disaster recovery plans;
- Participation in government-wide information technology initiatives and involvement on committees and special work groups/teams to support and implement selective information technology projects.

In 2007/2008, the branch provided support for the following:

- Major Gentax system upgrade from version 3.0 to 6.0;
- Taxpayer online system, TAXcess;
- Commenced the Scoping and Planning phase for the Companies Office System Replacement project;
- Scoping and Planning for the Internal Audit Services TeamMate software implementation; and
- Commenced the implementation planning for the Control Objective for Information and related Technology (CobiT) ICT governance framework.

1 (g) Information Technology Management

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	944.8	5.25	1,205.7	(260.9)	*1*
Other Expenditures	146.2		124.9	21.3	
Total Sub-Appropriation	**1,091.0**	**5.25**	**1,330.6**	**(239.6)**	

1. Under expenditure is due to position vacancies.

Independent Administrator

The Independent Administrator was created in 2006 under *The Labour-Sponsored Venture Capital Corporations Act* based on recommendations made by the Implementation Team that was established following the report of the Auditor General into the Crocus Investment Fund. The Independent Administrator reports to the Minister of Finance and monitors provincially registered labour-sponsored funds to ensure compliance with governing legislation.

1 (h) Independent Administrator

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Independent Administrator	37.4		30.6	6.8	
Total Sub-Appropriation	**37.4**		**30.6**	**6.8**	

Insurance and Risk Management

The Manitoba Comptrollership Framework defines risk management as "a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, communicating and acting on risk issues". The Insurance and Risk Management branch establishes central Risk Management Policy for the Government of Manitoba and provides Insurance and Risk Management services to its departments and agencies, including some Crown corporations.

The branch assists departments and agencies to identify and assess the risks with programs and initiatives, and promotes the taking of reasonable risks. The branch establishes and maintains commercial and self-insurance programs, and reviews contracts for fair and effective risk transfer. The branch administers insurance claims and advises on insurance-related legislation. During 2007/2008, branch management participated on a committee examining the benefits of the Enterprise Risk Management approach.

Risk Identification and Evaluation

Branch personnel assisted numerous departments and agencies conduct risk assessments of new or proposed programs. Loss control personnel from Manitoba's Insurance Consortium carried out site inspections during the 2007/2008 fiscal year, and reports were provided to facility managers.

Risk Transfer

The Insurance and Risk Management branch reviewed contracts for insurance, bond and indemnity provisions, working with client departments and agencies and Civil Legal Services to promote appropriate transfer of risk in government contracts. The branch assisted departments and agencies in obtaining appropriate "Proof of Insurance" from third party contractors and vendors, and provided Certificates of Insurance and letters evidencing the government's self-insured programs to third parties on behalf of government departments and agencies.

Risk Financing

The Insurance and Risk Management branch administers insurance purchasing on behalf of government departments and agencies. The branch also conducts insurance surveys and examines alternative risk financing options on behalf of government departments and agencies.

Costs of government property and casualty insurance for 2007/2008 were lower than costs in 2006/2007, while insurance policy terms and conditions were stable in some areas, and much improved in others. General liability insurance protection for the government improved in 2007/2008. Despite increased values, aircraft insurance costs decreased by 28.8% and property insurance costs decreased by 10.6%. General liability costs decreased 25.9% while general liability limits increased from $52 million to $100 million.

Commercial insurance premiums (including brokerage fees) paid during the 2007/2008 fiscal year were $1.66 million for departments and $2.47 million for agencies. This represented an overall decrease of 11% compared to the previous year.

Agencies Self-Insurance Fund

During the 2007/2008 fiscal year, the Agency Self-Insurance Fund collected $4.5 million in premiums from agencies, a decrease of 12% from the previous year. Claim payments from the fund were approximately $3.4 million during the same period.

Claims Administration

Agency Property Claims

There were 225 incidents reported; a decrease of 19.4% over the previous year and a 25.7% decrease over the 3 year average. Total claim costs (reserves and payouts) for 2007/2008 were $4,101,084, representing an increase of $1,570,664 (62.1%) over the previous year and $458,368 (12.6%) over the 3 year average.

There were nine large losses in 2007/2008, each in excess of $100,000, compared to three large losses in 2006/2007, evidencing increased severity. Seven of the claims were caused by fire while two were weather related. Escalating labour, material, and transportation costs, particularly in rural areas, contributed to increased claims costs.

Agency Liability Claims

The number of reported incidents decreased to 213, a 23.7% decrease from 2006/2007 and 12.6% less than the 3 year average. (In accordance with actuarial review recommendations, "potential claims" are now coded differently and are neither assigned liability claim numbers, nor are reserves posted. For the 2007/2008 year there were 164 potential incidents reported, resulting in a total of 377 potential/new liability incidents and a 35.13% increase in frequency compared to the previous year.)

Total claim reserves in 2007/2008 were $157,452 a decrease of 54.2% from the previous year and 74.5% less than the 3 year average.

Agency Adjusting Costs

Adjusting costs of $138,531 for agency claims for the period 2007/2008 reflect an increase of 5.3% compared to 2006/2007. The increase was kept modest by utilizing in-house adjusting services at a reduced rate, closing fewer of the high severity claims experienced this period, and limiting adjuster involvement where practicable. The adjuster rate schedule remained unchanged.

Department Property Claims

In the 2007/2008 fiscal year, 239 incidents involving damage to government department property, at an estimated cost of $859,796 were reported. The number of reported incidents increased by 20.1% compared to the previous year and an increase of 4.67 % compared to the three-year average. However, the total cost of claims was down, with total property reserves lower by 16.85%. There were various sizes of property losses closed this year, most were under $1,000.00. Several successful recoveries from responsible parties and various insurers combined to reduce overall financial impact. 78 property claims were closed in 2007/2008 (a decrease of 38% from 2006/2007) with total payouts of $456,751, (down by 51% from 2006/2007) and external recoveries were $224,474.

Department Liability Claims

In 2007/2008, 368 new liability claims were reported with initial reserves and current payouts totalling $231,892. This represents a 4.7% decrease in the number of reported claims and a 14.5% decrease of the total liability reserves over the previous year and 13.65% decrease over the three-year average. The slight decrease in claims is attributed to increased risk management awareness by government staff. The Insurance and Risk Management branch now records non-claim incidents separately from claims. A total of 65 non-claim incidents were recorded in 2007/2008.

146 liability claims were closed in 2007/2008, 41.8% less compared to the previous year, and included several with significant claim reserves. The contribution of $193,768 from Insurers and other sources reduced the payouts by the departments to $876,094 in total.

Department Adjusting Costs

Adjusting costs charged to handle department claims decreased significantly by 58.77% from $16,074 in 2006/2007 to $6,628 in 2007/2008. This decrease resulted primarily from a reduction in claims frequency. The current year adjusting cost is 37.5% lower than the three-year average of $10,597. Departments are increasingly assessing and investigating their own small claims with the direction from staff of the Insurance and Risk Management branch.

The Manager of Department Claims continued to work closely with all departments to increase awareness in risk management and the prompt reporting of incidents so they can be handled and investigated without delay. This is especially evident in the property claims being reported.

Intentional Damage Compensation Plan

Branch personnel monitor the administration of the Foster Parents Intentional Damage Compensation Plan for the Department of Family Services and Housing.

A total of 144 claims were reported in 2007/2008 and settlement payouts incurred totalled $122,350.50 (16% increase over 2006/2007) plus administrative costs of $14,949.10 (decrease of 17.5% from previous year). The average claim was $849.66 and the average fee was $103.81. The 144 claims represent an increase of 17 % in claims frequency over the previous year, with a 1% decrease in average claim cost.

6 Insurance and Risk Management

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	367.7	5.20	369.1	(1.4)	
Other Expenditures	49.8		58.1	(8.3)	
Insurance Premiums	1,657.6		2,787.0	(1,129.4)	1
Less: Recoverable from Other Appropriations	(1,657.6)		(2,787.0)	1,129.4	1
Total Sub-Appropriation	**417.5**	**5.20**	**427.2**	**(9.7)**	

1. *Under expenditure is essentially due to decrease in insurance premiums as a result of favourable reinsurance markets.*

Francophone Affairs Secretariat

The Francophone Affairs Secretariat advises the Government of Manitoba and the Minister responsible for French Language Services (FLS) in particular, on the development of government services in the French language and on matters relating to the FLS policy in general.

The Secretariat guides, monitors, seeks and facilitates the implementation of the Government of Manitoba's FLS policy in a manner consistent with the concept of *active offer* and makes recommendations to that effect. The Secretariat's mandate applies to all administrative bodies covered by the FLS policy.

The Secretariat provides assistance and direction to the administrative bodies covered by the Government of Manitoba's FLS policy and serves as a liaison between the government and Francophone organizations in the province.

During 2007/2008, the Francophone Affairs Secretariat and its team of facilitators:

- Co-ordinated, for Manitoba, the inclusion of projects to be funded in 2007/2008 under the Canada-Manitoba Agreement on French Language Services, a cost-sharing agreement whereby Manitoba's $1.4 Million contribution is matched by the federal government.
- Co-ordinated, for Manitoba, the inclusion of projects to be funded in 2007/2008 under the Agreement for Co-operation and Exchange between the Governments of Québec and Manitoba and under the FLS component of the Memorandum of Understanding on Interprovincial Co-operation between the Governments of Manitoba and New-Brunswick.
- Promoted the services offered in the Bilingual Service Centres (BSCs), organized outreach activities in the different communities, and re-designed the BSC Web site.
- Assisted with the planning and the implementation of the accommodations required at the St. Boniface BSC for the addition of seven new staff from Family Services and Housing and several employees of the Accueil francophone, an organization that provides settlement and integration services for French-speaking immigrants.
- Continued the planning process for the establishment of the next three BSCs in St. Laurent, Ste. Anne and St. Vital.
- Provided guidance and assistance to administrative bodies and pursued the review and/or development of FLS plans.
- Developed a new template including a 5-year Strategic Plan for FLS and an Annual Operating Plan for FLS for administrative bodies. A pilot project to implement this new template will commence in the 2008/2009 fiscal year.
- Continued to act as a resource for the Conseil communauté en santé (CCS) Board, the official representative of the Francophone community in the areas of health and social services.
- Chaired or provided logistical support for advisory committees/working groups on FLS in the areas of justice, tourism, and economic development.
- With the Minister responsible for FLS, participated in the Ministerial Conference on the Canadian Francophonie (MCCF), in Halifax, in September 2007.
- Participated in national meetings of the Intergovernmental Network of the Canadian Francophonie and in planning sessions of the Steering Committee for the Sommet des communautés francophones et acadiennes [Summit of the Francophone and Acadian Communities] held in Ottawa, June 2007.
- Co-ordinated 197 registrations for French language training: evening and weekend programs for government employees, the continuation of two pilot projects involving French language training during the workday for 18 employees of Family Services and Housing, and the upgrading of skills via the Internet. Continued cost-shared tutoring to include Ministers, Deputy Ministers, and MLAs.

- Organized FLS forums/meetings with representatives of Government departments and the Franco-Manitoban community to share information and ideas on specific issues and to prepare recommendations or develop solutions and strategies.
- Dealt with 21 complaints, as well as various issues raised by the public regarding FLS.
- Prepared the Report on French Language Services 2006/2007.

1 (e) Francophone Affairs Secretariat

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	594.5	12.00	720.0	(125.5)	
Other Expenditures	486.8		592.5	(105.7)	
Total Sub-Appropriation	**1,081.3**	**12.00**	**1,312.5**	**(231.2)**	

TREASURY DIVISION

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division assists in the financing of municipalities, schools and hospitals and it is the division's responsibility to ensure that such financing is arranged.

Major changes are continually taking place in the world's economic and financial markets. These changes have a significant impact on both short and long-term management strategies, as well as the day-to-day decisions made by Treasury Division staff. This has become ever more evident since the financial market volatility experienced as of the summer of 2007.

The division maintains contact with a large number of domestic and foreign financial institutions as well as regulatory and rating agencies to inform them of the fiscal and economic performance of the province and its policies while at the same time obtaining information about the state of world financial markets and financial products and opportunities available to the province.

To more effectively deal with technological and financial market complexities and risks, the division operates the following committees:

The Capital Markets Committee

- Meets weekly to review world capital markets, investment, risk management and foreign currency markets and ensures that Treasury management and professional staff are conversant with current events and expectations respecting these markets.
- Determines appropriate investment, borrowing and risk management strategies.

The Risk Committee

- Regularly reviews the financial status and exposure to individual financial institutions, establishes approved lists of financial counterparties, exposure limits, reviews documentation standards for financial agreements, and assesses the risks related to investment classes and transactions.
- Responsible for the risk oversight function of the division ensuring that policies, processes, procedures and controls are properly documented and that they are consistently communicated to staff and understood by everyone responsible for their implementation and monitoring.

The Information Technology Planning Committee

- Assesses the technological needs of the Treasury Division, and recommends appropriate actions to ensure that technological advances can be applied to improving Treasury Division effectiveness and productivity.

The Executive Management Committee

- Meets to discuss matters relating to personnel, operations, planning, budgeting, credit, information technology, legislation and administrative matters so as to maximize the use of all resources provided to the Treasury Division, prioritize activities and ensure effective and efficient delivery of treasury services.

The Operations Committee

- Responsible for implementing processes and procedures to minimize operational risk and for ensuring the smooth running of the day to day operations of the division.

Administration

The Administration function has two staff positions for the performance of the following functions:

- general management of the Treasury Division;
- advises Minister and Deputy Minister and Senior Assistant Deputy Minister on all policy and program matters of a financial nature;
- contact with the world financial community;
- provision of management and financial advisory services to government departments, agencies and investment funds; and
- reviews policies, legislation and regulations, and recommends changes where necessary to achieve objectives.

2 (a) Administration

Expenditures By Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	122.5	2.00	123.8	(1.3)	
Other Expenditures	103.7		115.6	(11.9)	
Total Sub-Appropriation	**226.2**	**2.00**	**239.4**	**(13.2)**	

Capital Markets

The Capital Markets branch has nine staff positions for the performance of the following major functions:

- managing the long-term borrowing programs of the government, Crown corporations, government agencies and other loan programs;
- developing and maintaining the debt management program of the government;
- administering provincial investment in, and advances to, Crown corporations, government agencies and other loan programs;
- establish strategies and manage sinking funds and other investment accounts of the province, Crown corporations and government agencies aggregating approximately $7.0 billion;
- managing the government's monetary resources;
- managing the short-term investment and borrowing programs for the government;
- administering trust money deposited with the Minister of Finance by Crown corporations, agencies and departments; and
- advising Crown corporations, government agencies and managers of loan programs regarding policies and procedures related to capital financing.

Borrowing

The borrowing program of the government, its Crown corporations and government agencies aggregated $3,104 million in 2007/2008. This included $980 million for refinancing maturing debt issues with the balance required for sinking funds and self-sustaining programs, including Manitoba Hydro. The aggregate amount of the Province of Manitoba's direct and guaranteed debt, net of sinking funds, outstanding at March 31, 2008 (using March 31, 2008 foreign exchange rates for conversion of foreign issues) was $18.0 billion ($16.5 billion at March 31, 2007) of which $6.38 billion ($6.56 billion at March 31, 2007) was for general government programs.

The branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the government has borrowed money. Three major reports and filing documents were prepared for regulatory agencies in Europe, Australia and the United States.

The branch also co-ordinated presentations to the major North American rating agencies which evaluate the creditworthiness of the province.

Debt Management

The Capital Markets branch actively monitors global capital markets and manages the province's outstanding debt through the use of hedging techniques such as currency exchange agreements, floating and fixed interest rate swaps and forward rate agreements.

At March 31, 2008, 10% of direct debt, excluding debt for which Manitoba Hydro is responsible, was floating rate (10% at March 31, 2007) and 100% was payable in Canadian dollars (100% at March 31, 2007).

Long-Term Investments

Loans and Equity Investments

The Capital Markets branch administers the government's non-budgetary investment activities through advances to and/or equity investments in various Crown corporations, government agencies and loan programs. During 2007/2008, $1,124.7 million was invested and $317.6 million of principal was repaid. At March 31, 2008 the aggregate amount of advances and equity investments outstanding was $9.7 billion.

Sinking Funds and Other Long-Term Investments

Sinking funds and other long-term investments of the Province of Manitoba, its Crown corporations and government agencies are managed by the Capital Markets branch. At March 31, 2008, sinking funds related to the direct and guaranteed debt of the province amounted to $4.172 billion, down 12.9% from $4.788 billion at March 31, 2007. The branch also manages the long-term investments for Manitoba Public Insurance Corporation which totalled $2.2 billion at February 28, 2008. The Capital Markets branch determines the cash flows of these funds for investment purposes.

Money Management

The Capital Markets branch prepares cash flow forecasts detailing the government's anticipated daily receipts and disbursements, including its trust administration activities. Management of daily bank balances and timing of long-term borrowing is determined as a result of these cash flow forecasts.

During 2007/2008, the Money Management program was involved in managing the cash flow for over $17 billion of transactions processed through the accounts of the government.

Short-Term Investment and Borrowing

Monitoring and management of the government's cash flow during 2007/2008 resulted in the branch arranging over 1,547 short-term money market transactions aggregating approximately $94.5 billion of investment purchases and $259.5 million of investment sales. The branch also arranged for the issue of $200 million of promissory notes to finance temporary shortfalls resulting from differences in the timing of government payments and receipts. Interest earned on the short-term investments amounted to approximately $113.6 million while interest paid on the promissory notes issued was approximately $0.837 million.

Trust Administration

Over 120 departments, agencies and Crown corporations deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately $1.2 billion in 2007/2008. Approximately 3,499 trust deposit receipts were issued in 2007/2008 and 4,400 payments processed by the branch in respect to these deposits. Interest paid on these trust accounts was in excess of $72.1 million.

Other Responsibilities

The Capital Markets branch also acts in an advisory capacity to Crown corporations and government agencies and makes recommendations respecting each organization's policies and procedures relating to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown corporation or government agency are met and that there is legislative consistency among the various entities.

The branch is responsible for operating the Manitoba Hospital Capital Financing Authority which assists operators of hospitals to finance their capital expenditures and for funding Health facilities directly.

The branch managed the tenth Manitoba Hydro Bonds campaign which raised $134.2 million.

2 (b) Capital Markets

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. #
Salaries and Employee Benefits	587.1	9.00	606.8	(19.7)	
Other Expenditures	60.0		74.7	(14.7)	
Total Sub-Appropriation	**647.1**	**9.00**	**681.5**	**(34.4)**	

Treasury and Banking Operations

Risk Management and Banking

The Risk Management and Banking office has six staff positions for the performance of these major functions:

- monitoring and reporting on the division's market, credit, operational and liquidity risks ensuring safeguards are in place to protect the financial assets and liabilities of the government;
- responsible for the risk oversight function ensuring policies are in place and operating effectively in order to allow the division to meet its strategic objectives while managing risks;
- responsible for the administration and controllership activities related to the province's Risk Management program;
- ongoing development and maintenance of divisional policies and procedures;
- co-ordination, preparation, revision and analysis of Public Debt and Treasury Division expenditure estimates; and
- managing the banking operations of the government.

Risk Management

The ultimate purpose of developing a segregated Middle office is to efficiently and effectively monitor the division's risk management practices and financial exposures such as Mark to Market, performance measurement, and credit monitoring on $7 billion of investments, $20 billion of debt, and $30 billion in financial risk management contracts.

Banking Operations

The branch advises and establishes procedures regarding the use of banking services and depositing for other departments and some agencies, evaluates requests for new bank accounts and maintains existing accounts. The branch also negotiates contracts for banking and armoured car services for the province.

The branch maintained a central index of approximately 270 accounts representing all Province of Manitoba bank accounts in all financial institutions in the province.

The branch continued to expand the use of direct payment cards and credit cards for the receipt of government revenues. The branch worked with individual departments and Special Operating Agencies, surveying their needs to consider appropriate applications.

The branch will continue to partner with other areas of government in the application of emerging technology.

Treasury Services

The Treasury Services office has eight staff positions for the performance of the following major functions:

- service and administer the public debt of the province;
- service and safekeep the short and long-term investments of the province and certain Crown corporations and government agencies;
- service and administer the province's Financial Risk Management program; and
- maintain a Treasury Payments system for the division.

Debt Servicing

The provincial borrowings serviced by the branch was represented by debentures, savings bonds, treasury bills, promissory notes, and C.P.P. debentures, all payable in Canadian dollars, as well as 14 debenture issues payable in U.S. dollars, 1 debenture issue payable in Swiss Francs, 1 debenture issue payable in New Zealand dollars, 1 debenture issue payable in Euros and 1 debenture issue payable in Japanese Yen. In servicing this debt, the branch administered approximately 350 derivative agreements whereby, among other things, all the Swiss Franc, New Zealand Dollar, Euro and Japanese Yen debt has been swapped into fixed or floating rate Canadian or U.S. dollar liabilities.

Servicing the short-term debt obligations of the province required the administration of $2.6 billion in treasury bills and $200 million in promissory notes issued throughout the year.

Investment Servicing

The branch services the long-term investments of the Manitoba Public Insurance Corporation and the sinking fund investments of the Province of Manitoba, Manitoba Hydro and The University of Manitoba. The aggregate value of these long-term investments was approximately $6.0 billion.

In servicing these investments the branch processed purchases aggregating $4.3 billion, sales and maturities of $4.9 billion and gross income of $441 million. The branch administered approximately 196 derivative contracts by which investments denominated in foreign currencies have been swapped into Canadian dollars.

Servicing short-term investments for the province required the processing and safekeeping of over 3,000 money market transactions covering purchases, sales and maturities with a total aggregate value of approximately $190 billion.

In order to meet its responsibilities in servicing the province's debt and investments, the branch operates a payment system for the division. During 2007/2008, 206 cheques were issued with a total value of $87.3 million and authorized 3,144 transfers totalling $22.2 billion.

The Treasury and Banking Operations branch is responsible for co-ordinating the preparation of Public Debt expenditure estimates and analyses.

2 (c) Treasury and Banking Operations

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	847.1	14.00	907.3	(60.2)	
Other Expenditures	101.2		95.2	6.0	
Total Sub-Appropriation	**948.3**	**14.00**	**1,002.5**	**(54.2)**	

Public Debt (Statutory)

The Public Debt appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the province.

The following table sets forth certain information as to the funded debt of the province as well as debt issues for general provincial programs (all net of sinking funds) as at March 31 for the years 2004 through 2008, including per capita data based upon population at July of the preceding calendar year.

	As at March 31,				
	2004	**2005**	**2006**	**2007**	**2008**
General Provincial Public Debt (millions)	$6,546	$6,594	$6,583	$6,564	$6,382
Population*	1,161.9	1,170.6	1,174.2	1,178.5	1,186.7
Per Capita	$5,634	$5,633	$5,606	$5,570	$5,378
Gross Domestic Product (millions)*	$37,354	$39,671	$41,372	$44,671	$47,832
As a Percent of Gross Domestic Product	*17.5%*	*16.6%*	*15.9%*	*14.7%*	*13.3%*
Net Cost of Servicing General Provincial Program Debt (millions) **	$251	$241	$260	$260	$251
Revenue	$7,389	$8,222	$8,426	$8,949	$9,628
As a Percent of Provincial Revenue	3.4%	2.9%	3.1%	2.9%	2.6%

* Source: Manitoba Bureau of Statistics.

** For comparative purposes, 2003/2004 costs have been adjusted to reflect the capitalization of infrastructure assets.

11 Public Debt (Statutory)

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Interest on:					
the Public Debt of Manitoba and related expenses	1,191,499.9		1,129,984.6	61,515.3	
departments' capital assets	97,254.5		107,100.0	(9,845.5)	
Trust and Special Funds	69,970.5		44,500.0	25,470.5	
Sub-total	**1,358,724.9**		**1,281,584.6**	**77,140.3**	
Less: Interest and Other Charges to be received from:					
Sinking Fund Investments	(165,620.3)		(159,000.5)	(6,619.8)	
Manitoba Hydro	(561,829.5)		(531,230.6)	(30,598.9)	
Manitoba Housing and Renewal Corporation	(28,126.3)		(28,096.7)	(29.6)	
Manitoba Agricultural Credit Corporation	(18,468.9)		(19,346.8)	877.9	
Other Government Agencies	(18,924.3)		(11,311.4)	(7,612.9)	
Other Loans and Investments	(170,528.4)		(102,108.6)	(68,419.8)	
Other Appropriations	(144,193.8)		(154,490.0)	10,296.2	
Sub-total	**(1,107,691.5)**		**(1,005,584.6)**	**(102,106.9)**	
Total Sub-Appropriation	**251,033.4**		**276,000.0**	**(24,966.6)**	*1*

1. Net decrease is primarily a result of higher than forecast investment returns, lower than expected borrowing costs and miscellaneous costs offset by various capital costs.

COMPTROLLER DIVISION

The division's role is to establish and foster a corporate Comptrollership function for the Manitoba government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements. Some of the key components integral to the division's government-wide Comptrollership function include:

- designing management processes;
- establishing financial and accounting policies;
- preparing and presenting financial information for internal and external reporting;
- maintaining the central accounts of the province;
- controlling all disbursements and revenue transactions for the Consolidated Fund;
- facilitating the integration and co-ordination of financial and management information; and
- providing advisory and problem solving services to corporate government and line departments.

In carrying out the division's mandate, three branches report to the Provincial Comptroller. These include:

- Comptroller's Office;
- Internal Audit and Consulting Services; and
- Disbursements and Accounting.

Divisional accomplishments are reported under each branch as applicable.

3 (a) Comptroller's Office

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	280.8	5.00	434.6	(153.8)	1
Other Expenditures	50.8		48.2	2.6	
Total Sub-Appropriation	**331.6**	**5.00**	**482.8**	**(151.2)**	

1. *Under expenditure is due to position vacancies.*

Internal Audit and Consulting Services

The Internal Audit and Consulting Services branch provides internal audit services to management throughout government. All government departments have access to internal audit services through annual audit plans or for high-priority matters.

Activities of the branch in 2007/2008 included:

- Completion of 43 audits during the year (46 in 2006/2007), based on assignments generally greater than 100 hours;
- Annual reports, summarizing the audit activities for the year and the audit plan for the upcoming year, were prepared for each department; and
- Participation in the Institute of Internal Auditors and Information System Audit and Control Association boards and activities.

3 (b) Internal Audit and Consulting Services

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	1,916.8	28.00	2,225.8	(309.0)	
Other Expenditures	368.3		213.6	154.7	1
Total Sub-Appropriation	**2,285.1**	**28.00**	**2,439.4**	**(154.3)**	

1. *Over expenditure is due to office renovations.*

Disbursements and Accounting

The role of the Disbursements and Accounting branch is to monitor the decentralized processing as well as controlling and reporting of all receipts to and disbursements from, the Consolidated Fund in accordance with governing legislation and established accounting policies and practices. The branch also maintains a central payroll system for the payment of all government employees as well as an accounts payable vendor system for payments in relation to grants, supplies and services. It also maintains the official accounting records of the government and prepares its financial statements, which include both the Consolidated Fund (the Operating Fund and the Special Funds) and the summary financial statements which include all the Crown Organizations and government business enterprises that are part of the government reporting entity.

During 2007/2008, the branch performed payroll transactions that included 433,497 direct deposits and 1,625 payroll cheques, while adhering to all deadlines and all related laws, regulations and policies. The branch also released 428,373 payments for grants, supplies and services, to corporations, firms and other recipients based on documents and supporting information provided by the government's operating departments. Approximately 46,140 of the total were direct deposit payments to vendors. Processing and collection of amounts owing to the government for shared-cost agreements were completed on a timely basis.

Quarterly financial report statements of the government were issued in accordance with established timetables and accounting policy. The annual financial reports, as represented by the Public Accounts, were prepared and released in accordance with *The Financial Administration Act*. The 2006/2007 summary financial statements of the government represented, by Volume 1 of the Public Accounts, and the more detailed financial statements, schedules and reports of the Consolidated Fund, represented by Volumes 2 and 3 of the Public Accounts, were all released September 7, 2007. Volume 4 of the Public Accounts, which represents the detailed financial statements of the funds, Crown organizations, government business enterprises that were within the government reporting entity, were released on May 6, 2008.

The branch continued to provide consultation and financial guidance for appropriate financial processes within the Consolidated Fund.

3 (c) Disbursements and Accounting

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,353.5	44.00	2,852.2	(498.7)	1
Other Expenditures	914.2		915.3	(1.1)	
Less: Recoverable from Other Appropriations	(516.1)		(510.0)	(6.1)	
Total Sub-Appropriation	**2,751.6**	**44.00**	**3,257.5**	**(505.9)**	

1. *Under expenditure is due to position vacancies.*

TAXATION DIVISION

The Taxation Division is responsible for efficiently and effectively administering the following Provincial Taxation Acts and ensuring proper revenues are collected as provided in these Acts:

The Corporation Capital Tax Act
The Gasoline Tax Act
The Health and Post Secondary Education Tax Levy Act
The Mining Tax Act
The Motive Fuel Tax Act
The Retail Sales Tax Act
The Tax Administration and Miscellaneous Taxes Act
The Tobacco Tax Act
The continuing phase-out of the *Manitoba Succession Duty and Gift Tax Acts*

Actual revenues for the 2007/2008 fiscal year under the Taxation Acts noted above as well as for the Mining Claim Lease Tax and Environmental Protection Tax, were $2,521,992.4 which exceeded estimated revenues by $88,628.2.

The major variances from the estimate are as follows:

- Retail Sales Tax revenue exceeded the estimate by $64,571.5 due to higher than estimated economic growth, increased activity in the construction industry and increased capital purchases.
- Health and Post Secondary Education Tax Levy revenues exceeded the estimate by $12,582.7 due to higher than estimated employment growth and wage settlements.
- Motive Fuel Tax revenues exceeded the estimate by $10,821.4 due to increased construction and trucking activities.
- Corporation Capital Tax revenues exceeded the estimate by $13,279.3 resulting from higher taxable capital reported by corporations.
- Tobacco Tax revenues fell short of the estimate by $13,372.7 due to the increased smuggling of illegal cigarettes.

Comparative Statement of Actual Revenues ($000s)

For Fiscal Years Ending March 31, 2004 to March 31, 2008

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Corporation Capital Tax	139,049.1	165,850.6	132,166.7	156,133.8	165,779.3
Gasoline Tax	161,856.2	154,087.3	152,466.1	154,052.3	152,472.0
Levy for Health and Education	267,816.7	287,019.6	303,055.3	317,654.1	341,382.7
Succession Duty and Gift Tax	7.9	114.5	2.6	2.6	2.6
Mining Claim Lease Tax	71.3	71.0	71.1	71.1	64.2
Mining Tax	21,895.0	40,826.2	39,191.6	96,369.2	99,636.9
Motive Fuel Tax	71,308.0	80,780.8	83,538.8	86,737.5	95,721.4
Retail Sales Tax	1,064,239.4	1,125,429.0	1,197,452.3	1,276,970.8	1,391,071.5
Tax Administration and Miscellaneous Taxes Act	71,193.1	74,359.7	82,971.3	79,541.8	81,792.4
Tobacco Tax	190,289.2	203,465.5	191,637.4	201,576.3	190,627.3
Environmental Protection Tax	3,237.6	3,247.0	3,295.9	3,369.4	3,442.1
Total	**1,990,963.5**	**2,135,251.2**	**2,185,849.1**	**2,372,478.9**	**2,521,992.4**

Management and Research

The Management and Research branch ensures the effective management and application of provincial Taxation Statutes. The government's taxation requirements are conveyed by providing tax expertise and direction to the Taxation Administration and Audit branches and providing necessary information and interpretations to taxpayers and to businesses that collect the taxes.

The major objectives of this branch are to:

- provide management, leadership and policy assistance on statutes administered by the Taxation Division;
- maintain an effective tax-gathering system that applies the legislation consistently and ensures the collection of the tax revenues imposed by the Acts administered by the Taxation Division;
- implement new tax legislation;
- respond accurately and promptly to enquiries from tax collectors and taxpayers;
- develop taxation revenue and expenditure forecasts and analyse variances from budgeted amounts;
- inform the Minister and Deputy Minister of tax revenue options, and provide options to upgrade the effectiveness of legislation and tax administration policy;
- develop and update tax interpretation manuals for the use of Taxation Division staff, and tax bulletins to inform businesses of tax collection and remittance requirements; and
- provide tax management expertise and direction as needed to maximize the effectiveness of the Taxation Administration and Audit branches and to co-ordinate the efforts of all three branches on the implementation of new programs.

Activities undertaken by the branch during the year include the following:

- provided the Minister of Finance and the Deputy Minister with options for changes in legislation and policy, evaluated the administrative and revenue implications of changes being considered by the government and implemented the changes as directed;
- prepared official communications, including ministerial responses regarding taxation matters;
- related with other departments, jurisdictions, businesses that collect the taxes, taxpayers and associations on taxation matters;
- prepared financial forecasts and analyses in order to assist in strategic taxation planning;
- trained and developed staff;
- developed, implemented and monitored management performance action plans;
- developed and implemented new taxation policy and administration procedures and informed Taxation Division staff and the taxpayer community;
- researched and developed tax interpretations and bulletins to inform businesses of the tax requirements;
- liaised with Canada Revenue Agency (CRA) and other jurisdictions on co-operative information exchanges, joint compliance initiatives and other taxation administration and management issues;
- continued participation in the Integrated Tax System project to enhance public services;
- developed additional bilingual forms and information bulletins on the Taxation Division website; and
- implemented the compliance unit to improve customer service and tax compliance and protect tax revenue.

The results obtained during 2007/2008 include:

- revenues collected as imposed by the taxation acts;
- maintained a fair, effective and efficient tax-gathering system, with a sufficient deterrent to tax avoidance or evasion;
- evaluations regarding the implications of administrative and revenue options being considered by the government were developed on a timely basis;
- new legislation implemented on time and in an efficient and effective manner;
- official communications were prepared in a timely manner;
- key information bulletins developed and/or updated and made available on the internet;
- financial forecasts and analyses prepared in a timely manner;
- Taxation Division's resources effectively and efficiently controlled and utilized; and
- taxpayer queries answered in a timely manner, promoting self-compliance.

4 (a) **Management and Research**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	1,958.5	33.50	2,151.3	(192.8)	
Other Expenditures	262.2		269.7	(7.5)	
Total Sub-Appropriation	**2,220.7**	**33.50**	**2,421.0**	**(200.3)**	

Taxation Administration

The Taxation Administration branch facilitates the effective and efficient administration and collection of taxes from taxpayers, as required by legislation, regulation and policies, and provides information to taxpayers.

The staffing complement for the 2007/2008 fiscal year was 63 staff positions. The branch is production-oriented and provides processing services and information to Manitoba taxpayers and provides the administrative needs of the other two branches of the Taxation Division. The Taxation Administration branch is responsible for ensuring the prompt and accurate processing of $2.5 billion in tax revenues annually from the Taxation Acts administered by the Taxation Division, as well as *The Mining Claim Tax* and *The Environmental Protection Tax*.

The major objectives of this branch are:

- accurate processing of tax revenue received;
- providing an effective and efficient tax gathering system;
- training and development of staff;
- ensuring tax rolls for each statute reflect the most current data available;
- proper reporting of the collection of taxes;
- accurate refunds with minimum delays;
- promote essential tax information to the taxpayer; and
- to effectively reduce outstanding tax arrears and delinquent tax returns.

Activities undertaken by the branch during the year included the following:

- development and establishment of TAXcess- an online service where taxpayers can register, file, pay and view their business tax accounts;
- collection of outstanding tax arrears and delinquent tax returns were actioned with a view to minimizing losses;
- ensured taxation data bases were promptly updated and accurately reflected the current status for each taxpayer;
- ensured remittance forms were produced and mailed at the required times to ensure tax revenues are received in a timely fashion;
- ensured refunds of tax were accurate and were produced with a minimum of delay;
- maintained filing systems to provide the necessary historical data on each taxpayer as required by all areas within the Taxation Division;
- recommended related policy change options and possible amendments to the Acts;
- trained and developed staff;
- developed, implemented and monitored management performance action plans;
- participated in the upgrade of the integrated taxation system to provide improved efficiency and enhanced public service;
- recorded and transmitted to the Tire Stewardship Board on a monthly basis, the tire levy collected on behalf of the board; and
- participated in the integrated taxation systems project working toward integration of the Taxation statutes and single window access by taxpayers.

The results obtained during 2007/2008 include:

- proper recording and collection of taxes imposed by the Acts;
- maintenance of an effective and efficient tax-gathering system; and
- taxpayers and the general public provided with information necessary to comply with the statutes.

The Taxation Statutes for which the Taxation Administration branch is responsible are as follows:

The Retail Sales Tax Act

This Act levies a tax on certain services and goods purchased in Manitoba, or brought into the province for consumption. The tax rate of 7% is calculated on the retail-selling price excluding the Goods and Services Tax. Exemptions are provided for basic groceries, children's clothing and footwear up to $150 per item, prescription drugs, farm implements and manure treatment and handling equipment, books, toll free line charges, commercially operated aircraft, custom developed software and custom computer programming, sanitary napkins, geophysical survey equipment, drill rigs, well-servicing equipment used in oil and gas exploration and development, smoking cessation devices and for certain other items.

The Health and Post Secondary Education Tax Levy Act

This Act imposes a tax on an employer's total annual gross remuneration paid to their employees. Employers whose total annual gross remuneration paid to their employees is less than $1,000,000 ($1,250,000 effective January 1, 2008) are exempt from paying the levy (associated corporations are required to share the exemption). Employers whose total annual gross remuneration paid to their employees is between $1,000,000 and $2,000,000 (between $1,250,000 and $2,500,000 effective January 1, 2008) pay tax on the portion over $1,000,000 ($1,250,000 effective January 1, 2008) at a rate of 4.3%. Employers whose total annual gross remuneration paid to their employees exceeds $2,000,000 ($2,500,000 effective January 1, 2008) pay tax at a rate of 2.15%.

The Corporation Capital Tax Act

This Act levies a tax on the paid up capital of a corporation. Paid up capital is generally represented by capital stock, surpluses, reserves, loans and indebtedness of the corporation. A $10 million deduction is provided for corporations or a group of associated corporations. The tax rate for fiscal years beginning after January 1, 2007 is 0.3% for corporations with taxable paid up capital between $10 million and $20 million and 0.5% for corporations with taxable paid up capital greater than $21 million. For taxable paid up capital between $20 million and $21 million, tax will be $30,000 plus 2.5% of the total paid up capital greater than $20 million.

The tax rate for fiscal years beginning after January 1, 2008 is 0.2% for corporations with taxable paid up capital between $10 million and $20 million and 0.4% for corporations with taxable paid up capital greater than $21 million. For taxable paid up capital between $20 million and $21 million, tax will be $20,000 plus 2.4% of the total paid up capital greater than $20 million.

Banks, trust and loan corporations are taxed based on their shareholder equity and subordinated debt at a rate of 3%.

The Gasoline Tax Act

This Act imposes a per litre tax on all purchases of gasoline, gasohol, aviation gasoline and propane subject to certain exemptions (tax exempt fuel eligible for farming, fishing, trapping, logging and the cargo component of international aircraft flights).

The Motive Fuel Tax Act

This Act imposes a per litre tax on all purchases of petroleum products used in the operation of an internal combustion engine or for commercial heating, that are not taxable under *The Gasoline Tax Act*, subject to certain exemptions (tax exempt fuel eligible for farming, fishing, trapping, logging, segments of the mining industry, domestic home heating and international ocean going vessels). Manitoba produced bio-fuel is exempt from both *The Retail Sales Tax Act* and *The Motive Fuel Tax Act* for a 5-year period ending March 31, 2011. The Taxation Administration branch administers the International Fuel Tax Agreement (IFTA) whereby truckers licensed in Manitoba are allowed to file a tax return which accounts for all jurisdictions travelled. The branch is responsible for verifying the returns and either issue recovery notices or refunds to other IFTA member jurisdictions.

The Tobacco Tax Act

This Act imposes a tax on the purchase of cigarettes, fine cut tobacco, cigars and other tobacco products.

The Tax Administration and Miscellaneous Taxes Act

Part 1 contains the consolidation of the general administration and enforcement provisions for the statutes administered by the Taxation Division.

Part 1.1 imposes a 7% tax (before GST) on the purchase price of electricity, coal, and natural and manufactured gas delivered by a pipeline. Special exemptions are provided for the heating of domestic dwellings and farm buildings. The tax rate for electricity used directly for qualified manufacturing and mining is 1.4%.

The Mining Tax Act

This Act imposes a tax on the profits of mining operations.

Operational Results

Operational results for the 2007/2008 fiscal year include 53,835 registered vendors, collectors and deputy collectors and 340,882 returns generated per annum.

The Administration branch also processed 14,129 refunds (representing $66,056,653) and chargeback's (representing $1,917,654).

As at March 31, 2008, there were service stations operating on 41 reserves with 73 retailers who had entered into an agreement with the province to provide tax-free fuel to Status Natives. A total of $6,871,412 representing 1,781 claims was disbursed under this program during the 2007/2008 fiscal year for both diesel and gasoline fuel. In addition, 14 northern reserves acquire bulk fuel through collectorship arrangements.

In the 2007/2008 fiscal year, the Manitoba government had established agreements with Indian Bands to provide a tobacco tax exemption for tobacco products sold to Status Natives on reserves. As at March 31, 2008 there were 55 Indian Bands with agreements and 4 Indian Bands on an alternate tax exempt program. A total of $18,870,629 representing 1,416 claims was disbursed under these programs during the fiscal year.

Collections

The Collections section is responsible for the collection of all outstanding taxes and delinquent returns, and taxpayer compliance with the various statutes administered by the Taxation Division. This is accomplished by telephone contact, enforcement action, and on-site visits.

4 (b) **Taxation Administration**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,974.4	63.00	3,194.1	(219.7)	
Other Expenditures	4,486.0		3,075.8	1,410.2	1
Total Sub-Appropriation	**7,460.4**	**63.00**	**6,269.9**	**1,190.5**	

1. *Over expenditure is due to an increase in the provision for doubtful accounts for taxation receivables.*

AUDIT

The Audit branch ensures that all taxes administered by the Taxation Division are remitted to the province through the promotion of voluntary compliance by taxpayers (including all collectors and registrants).

The Audit branch is structured into four operational units:

- **Audit** is responsible for conducting audits of taxpayers under various taxation statutes administered by the Taxation Division.
- **Audit Review** is responsible for the quality review of audit files, workload development, file selection, taxpayer appeals and the development of audit policies and procedures.
- **Investigations** is responsible for gathering evidence, the investigation of violations and the laying of charges under the taxation statutes administered by the Taxation Division.
- **Westman Regional Office** provides a rural perspective to tax policy development and operational programs, responsibility for all audit functions as well as investigations in Western Manitoba.

The major objectives of this branch are to:

- develop an efficient and effective audit program focused on high risk areas and throughout the cross-section of industries;
- develop an efficient and effective investigation program where violations under the taxation statutes are detected;
- provide accurate information in a timely manner to businesses relating to tax interpretation of the taxation statutes; and
- develop branch policies and procedures which ensure fair and consistent tax application to all businesses and which improve branch efficiency and effectiveness.

Activities undertaken by the branch during the year include the following:

- conducted audits under the various statutes to ensure proper remittance of taxes and promote voluntary compliance by taxpayers;
- issued various policies and procedures to all staff to assist in the performance of audits and investigations;
- participated in the development of legislation and regulations;
- conducted training sessions for the staff of the Audit branch on new policies and procedures issued, on the operation of laptop computers and on legislative amendments under various taxation statutes to aid audit staff in the performance of audits;
- participated with Canada Revenue Agency, Canada Border Services Agency and other provinces to develop co-operation and implement exchange of information on audits and investigations;
- conducted audits and reviews of the fuel and tobacco tax exemption systems for First Nations people;
- as part of the Canadian Fuel Tax Council participated in the steering committee and sub-committees that are working on common definitions, forms, administration and auditor training courses, e-filing standards, fuel marking standards, legislation, co-operation at border points, etc. for the project;

- as part of the Canadian Tobacco Tax Steering Committee participated in the steering committee and sub-projects that are working to establish a mechanism through which all jurisdictions can share best practices, promote communication of ideas and propose alternative solutions to common problems related to the administration of Tobacco Taxes;
- undertook various renewal initiatives in the Audit branch;
- conducted audits of tire vendors on behalf of the Tire Stewardship Board;
- participated in the integrated taxation system project to develop and integrate the upgraded audit selection manager;
- conducted fuel sampling in the Westman and other rural areas to detect the improper use of tax exempt dyed fuel;
- conducted audits of taxpayers using computer-assisted audit techniques and software;
- continued training staff in IFTA audit programs, computer software and hardware, continued conducting IFTA audits and roadside enforcement of IFTA provisions;
- conducted International Registration Program (IRP) and Pro-Rate Vehicle Tax (PVT) audits;
- participated as an active member of the Law Enforcement Committee for IFTA which is endeavouring to work towards having all member jurisdictions create common enforcement practices and to develop a standard best practices approach to roadside enforcement of the IFTA requirements;
- increased awareness of tax evasion and the underground economy with managers of investigative bodies of provincial government and Crown corporations by arranging meetings to exchange information;
- developed, implemented and monitored management performance action plans;
- participated in various conferences with other provincial, federal and state taxing jurisdictions for the purpose of exchanging audit and investigative information and to ensure that the Audit branch is informed on developments in other taxing jurisdictions including best practices;
- participated in joint force investigations with Federal agencies and other provinces regarding Tobacco Tax, Retail Sales Tax, Gasoline Tax, Motive Fuel Tax and IFTA; and
- drafted communications for the Minister, Deputy Minister and the Assistant Deputy Minister of Finance.

The results obtained during 2007/2008 include:

- conducted audits which recovered tax not reported and/or not remitted;
- conducted investigations and prosecuted tax evaders;
- responded to taxpayer queries in a timely manner; and
- policies and procedures developed and/or updated.

Audit		
Completed refunds		484
Completed files		1,260
Audit recoveries	$	35,195,523
Investigations		
Completed files		243
Charges		357
Convictions		115
Fines	$	64,155
Recoveries	$	215,308
Audit Review		
Audit files reviewed		438
Reviewed Notices of Assessments		67
Appeals reviewed (In progress 40; Completed 13)		53

4 (c) Audit

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	6,001.8	90.00	6,466.6	(464.8)	
Other Expenditures	1,043.9		1,114.5	(70.6)	
Total Sub-Appropriation	**7,045.7**	**90.00**	**7,581.1**	**(535.4)**	

Tobacco Interdiction

The Tobacco Interdiction program protects the revenues of the government under *The Tobacco Tax Act*. This program was implemented to counter against the increased risk of smuggling of lower taxed tobacco products from Eastern Canada to Manitoba and the Western provinces.

The Tobacco Interdiction program is made up of a combination of staff seconded from the Investigations group and the hiring of investigators and auditors on a casual/term basis specifically for this program.

The major objectives of this program are to:

- maintain an effective tax gathering system through the presence of an enforcement profile that will promote voluntary compliance by taxpayers and tax collectors;
- develop audit and investigation programs which detect tax evaders;
- prosecute tax evaders; and
- provide information to taxpayers on proper tax collection and remittance requirements.

Activities undertaken under this program during the year included the following:

- participated in investigations with the RCMP, Canada Revenue Agency (CRA), Canada Border Services Agency (CBSA) and Winnipeg Police Service of contraband tobacco violations;
- liaised with counterparts in the Departments of Finance in Saskatchewan, Alberta and British Columbia on a regular basis to co-ordinate the investigation and prosecution of the smuggling of contraband tobacco into Western Canada;
- liaised with counterparts in the Departments of Finance in Eastern Canada to solicit their assistance and co-operation in the tobacco interdiction program;
- developed policies, programs, procedures and information for taxpayers which result in the most efficient and effective utilization of resources to achieve compliance;
- recommended related policy change options and possible amendments to the Acts, evaluated the implication of changes being considered by the government and implemented the changes as directed;
- conducted audits of tax collectors and taxpayers relating to the smuggling of tobacco products and other violations of the Act;
- prosecuted tax evaders;
- liaised with law enforcement agencies, including Winnipeg Police Service, CBSA, RCMP, Ontario Provincial Police, Brandon Police Service, Kenora Police Force, Department of Homeland Security - U.S. Customs and Border Protection and Department of Justice - U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives;
- liaised with the Winnipeg Police Service Airport Detachment to assist in detection and prosecution of contraband shipments of tobacco by air;
- maintained a program of interaction with the transportation industry;
- continued to co-operate with other provincial agencies and Crown corporations in assisting investigations into tobacco smuggling;
- participated in various meetings and conferences with other provincial, federal and state taxing jurisdictions for the purpose of exchanging information and best practices, including attending U.S./Canada tobacco diversion workshop hosted by CRA and the U.S. Department of Homeland Security;
- trained and developed staff;
- continued to refine management performance action plans; and
- responded to media requests for information on the interdiction program.

The results obtained during 2007/2008 include:

- maintained an effective tax gathering system which protects revenues under *The Tobacco Tax Act*;
- conducted audits which recovered taxes not reported and/or not remitted;
- conducted investigations and prosecuted tax evaders; and
- responded to taxpayer queries in a timely manner.

Tobacco Interdiction *

Completed files		119
Charges		33
Convictions		16
Fines	$	13,816
Recoveries	$	114,249

* In addition, staff in the Audit branch are also involved in Tobacco Interdiction investigative duties.

4 (d) Tobacco Interdiction

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	506.5	10.00	713.9	(207.4)	
Other Expenditures	180.2		251.5	(71.3)	
Total Sub-Appropriation	**686.7**	**10.00**	**965.4**	**(278.7)**	*1*

1. Under expenditure is due to reduced overtime costs and position vacancies.

FEDERAL-PROVINCIAL RELATIONS AND RESEARCH DIVISION

The Federal-Provincial Relations and Research Division is comprised of the Economic and Federal-Provincial Research unit and the Manitoba Tax Assistance Office.

The major areas of responsibility include intergovernmental fiscal relations, economic and fiscal policy analysis and tax policy formulation. Accordingly, the division is comprised of an Administrative Unit and three branches:

- Intergovernmental Finance branch;
- Economic and Fiscal Analysis branch; and
- Taxation Analysis branch, which is also responsible for the Manitoba Tax Assistance Office.

The division's senior staff consists of an Assistant Deputy Minister, the directors of the three branches and the assistant director of the Taxation Analysis branch.

The division's primary goals are:

- to provide research, technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental financial relations, including cost-shared programs;
- to administer fiscal arrangements and tax collection agreements with the federal government and to administer tax credit programs with the federal government and municipalities; and
- to provide government-wide analytical support to inter-departmental working groups, task forces, etc.

Economic and Federal-Provincial Research

The major functions fulfilled by Economic and Federal-Provincial Research are:

- providing the government with research and technical support with respect to national and provincial fiscal and economic matters and intergovernmental financial relations, and fulfilling the department's specific economic and fiscal information requirements;
- providing advice and policy analysis with respect to a broad range of economic and fiscal matters including revenue and expenditure policies;
- co-ordinating the development during each budget process and throughout the year of the province's medium-term revenue projection;
- serving as the principal administrative unit of the province for *The Income Tax Act* (Manitoba), *The Federal-Provincial Fiscal Arrangements Act* and the Tax Collection Agreement with the federal government;
- advising on policies relating to Federal-Provincial fiscal and economic relations;
- supporting provincial policy, and advancing provincial fiscal interests while representing the province in various meetings and committees;
- co-ordinating the fiscal and taxation analysis necessary for the Minister and Cabinet to develop the Budget and co-ordinating the production of the Budget and related documents; and
- administering tax credit programs with the federal government and municipalities.

Intergovernmental Finance

The Intergovernmental Finance branch includes five staff positions.

The branch director and staff undertake ongoing monitoring and analysis of federal transfer payments in respect of major social programs including health care, higher education and social services, as well as Equalization, other transfer programs and some aspects of provincial/local government fiscal arrangements. The branch also prepares projections of federal transfer payments as input into the province's medium-term revenue projection and fiscal plan.

Total provincial revenues governed by Federal-Provincial fiscal arrangements and administered by the branch in 2007/2008 included: $1,825.8 million in Equalization payments; $1,164.1 million in cash payments for major health and social programs; and $2.3 million in respect of the Government of Canada Subsidy.

The branch director and staff represent the province at Federal-Provincial-Territorial and Provincial-Territorial meetings and on working groups on fiscal arrangements, the Canada Pension Plan, aboriginal and other finance issues. In addition, the branch also provides support to other departments and participates in various intergovernmental working groups.

Revenue from Federal-Provincial Fiscal Arrangements ($000s) For Fiscal Years Ending March 31, 2004 to March 31, 2008

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Income Taxes					
Individual Income Tax *(1)*	1,778,583.1	1,845,099.1	1,948,853.9	2,130,492.8	2,284,669.3
Corporation Income Tax *(1)*	313,234.6	401,925.1	373,568.7	310,586.6	366,817.7
Subtotal	2,091,817.7	2,247,024.2	2,322,422.6	2,441,079.4	2,651,487.0
Federal Transfers					
Equalization	1,413,790.0	1,699,483.8	1,601,018.0	1,709,430.0	1,825,796.0
Canada Health Transfer (CHT) *(2)*	324,042.4	684,767.3	733,313.4	773,090.3	816,684.0
Canada Social Transfer (CST) *(2)*	429,544.6	307,547.9	324,551.6	335,420.7	347,463.0
Health and CHST Supplement	163,882.5	-	-	-	-
Bill C-48	-	-	48,900.0	48,911.3	-
Government of Canada Subsidy	2,272.1	2,283.6	2,283.7	2,284.0	2,284.0
Community Development Trust	-	-	-	-	41,880.2
Subtotal	2,333,531.6	2,694,082.6	2,710,066.7	2,869,136.3	3,034,107.2
Total from Fiscal Arrangements	4,425,349.3	4,941,106.8	5,032,489.3	5,310,215.7	5,685,594.2

(1) Adjustments have been made to income tax revenues for 2003/2004 through to 2004/2005 in regard to the Provincial Municipal Tax Sharing payments to be consistent with the presentation of the Building Manitoba Fund in 2005/2006.

(2) 2003/2004 and 2004/2005 revenues have been restated for comparative purposes to reflect the decision of the federal government to split the CHST into separate transfers in respect of health (CHT) and other social programs (CST) in 2005/2006.

Economic and Fiscal Analysis

The Economic and Fiscal Analysis branch includes four staff positions.

The branch's mandate is to provide economic and fiscal analysis of national and regional matters for the Minister and Cabinet, as well as for use by various departments in policy development and estimates preparation.

The branch monitors and reviews a wide variety of private sector and public sector analyses and forecasts, and maintains an extensive information base in order to meet its objective.

The branch director and staff represent the province on Federal-Provincial committees and working groups and provide economic analytical support for ministerial meetings. As well, the branch provides inter-departmental co-ordination of economic analysis through the Inter-departmental Economic Outlook Group.

The branch prepares the Economic Review presented with the Budget. It co-ordinates the multi-year fiscal projections including the province's medium-term revenue projection, by working closely with staff of the Intergovernmental Finance and Taxation Analysis branches. The branch also monitors the federal government's fiscal situation and prospects.

An important and ongoing task of the branch is to prepare major components of provincial borrowing prospectuses and securities registration with regard to economic and financial data, and to represent the province in "due diligence" examinations of borrowing documents. A related task is to prepare major presentations and publications for financial institutions and credit-rating agencies.

The branch also responds to numerous requests for information on the Manitoba economic and fiscal situation from Canadian and international investment analysts as well as from companies, organizations and individuals in Manitoba. It also maintains current economic data and commentaries on the Manitoba Finance Web site.

Taxation Analysis

The Taxation Analysis branch has eight staff positions assigned with a further seven staff positions in the Manitoba Tax Assistance Office.

The Taxation Analysis branch maintains databases and analytic models, and develops recommendations for the Minister and Cabinet for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through Budgets, legislation and agreements, the most significant being the Canada-Manitoba Tax Collection Agreement respecting income taxation.

The branch is responsible for analyzing the fiscal and economic effects of tax measures and proposals. This work entails participation in the relevant Federal-Provincial working groups, representing the province at various Federal-Provincial meetings, and providing advice for ministerial meetings.

Total provincial revenue from income taxes administered by the branch in 2007/2008 amounted to $2,284.7 million in individual income tax and $366.8 million in corporation income tax.

The branch supervises the Manitoba Tax Assistance Office and the tax and related programs administered by that office. These programs benefit approximately 500,000 Manitobans annually. The Manitoba Tax Assistance Office also provides information and assistance to Manitobans in completing the provincial portion of their income tax returns as well as handling general inquiries respecting Manitoba income tax and tax credits.

Net Tax Credit Payments

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Education Property Tax Credit	228,756.6		222,850.0	5,906.6	
Personal Tax Credit	42,371.9		46,250.0	(3,878.1)	
School Tax Assistance for Tenants and Homeowners (55+)	1,598.2		2,320.0	(721.8)	
Political Contribution Tax Credit	1,013.2		900.0	113.2	
Riparian Property Tax Reduction	24.6		75.0	(50.4)	
Federal Administration Fee	987.6		984.0	3.6	
Less: Recoverable from Education, Citizenship and Youth:					
Education Property Tax Credit	(228,756.6)		(222,850.0)	(5,906.6)	
School Tax Assistance for Tenants and Homeowners (55+)	(1,598.2)		(2,320.0)	721.8	
Total Sub-Appropriation	**44,397.3**		**48,209.0**	**(3,811.7)**	1

1. *Net under expenditure is primarily due to stronger than anticipated growth in income in 2007.*

Administrative Unit

This unit, with a staff of three, provides administrative support, budget and cash flow analysis and research support to the Assistant Deputy Minister and the branches of the division.

Results:

- The Minister and Cabinet are provided with timely and accurate information with regard to major fiscal, economic and taxation issues, including intergovernmental implications.
- Preparation and delivery of necessary reports and presentations to facilitate the conduct of the province's fiscal affairs, including support for the borrowing program.
- Benefits to Manitoba from fiscal arrangements are maximized.
- The division's financial status is closely monitored proactively and issues are brought to the attention of the Assistant Deputy Minister as necessary.

5 (a) Economic and Federal-Provincial Research

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	1,629.9	21.25	1,762.4	(132.5)	
Other Expenditures	1,136.2		1,169.0	(32.8)	
Total Sub-Appropriation	**2,766.1**	**21.25**	**2,931.4**	**(165.3)**	

Manitoba Tax Assistance Office

The major functions fulfilled by the Manitoba Tax Assistance Office include:

- informing and assisting taxpayers on the proper application of Manitoba Income Tax and tax credit programs for residents of Manitoba;
- administering all elements of the Manitoba Education Property Tax Credit Advance program;
- enforcing the provisions of the legislation governing Manitoba Income Tax and Manitoba tax credit programs including recovery of ineligible claims;
- administering Tax Rebate Discounting;
- administering the Riparian Tax Credit program;
- administering elements of the Co-operative Education Tax Credit program;
- administering the 2004 Farmland School Tax Rebate program; and
- administering the tuition fee income tax rebate program.

The major activities include:

- providing information to taxpayers claiming any of the above programs and administering these programs with Canada Revenue Agency;
- responding to enquiries and processing benefit applications; and
- contacting individuals to recover ineligible amounts claimed under Manitoba Income Tax and Tax Credit legislation.

Results:

Residents of Manitoba receive benefits to which they are entitled under the *Manitoba Income Tax Act*.

5 (b) Manitoba Tax Assistance Office

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	350.5	7.00	380.4	(29.9)	
Other Expenditures	87.2		131.8	(44.6)	1
Total Sub-Appropriation	**437.7**	**7.00**	**512.2**	**(74.5)**	

1. *Under expenditure is due to lower than anticipated advertising and general administrative costs.*

TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support and advice to the Minister of Finance and Treasury Board in fulfilling expenditure management responsibilities. The Secretariat is headed by a Deputy Minister who acts as Secretary to the Board.

The major functions fulfilled by the Secretariat include:

- monitoring, analyzing, and reporting on the financial position of the province;
- planning and co-ordinating the review and preparation of the annual estimates and participating in the development of the annual budget;
- providing analyses in support of the efficient and effective utilization/allocation of the province's financial and human resources, both in the context of the annual estimates process and on an ongoing basis throughout the year;
- undertaking reviews of specific program areas;
- co-ordinating expenditure management, continuous improvement, planning and program performance measurement processes for government;
- developing and communicating policies, procedures and guidelines on administrative matters, and maintaining the General Manual of Administration;
- providing guidance to departments in the identification of potential special operating agency (SOA) candidates and in the development of proposals and business plans as well as monitoring and reporting on the operation of special operating agencies;
- representing the government and department management in all labour relations and compensation activities within the civil service as well as providing specialized consulting services respecting labour relations and compensation matters within the public sector;
- providing central administrative services to government-wide employee benefit and insurance programs in accordance with collective agreements, legislation and human resource policies.

The 2007/2008 Estimates of Expenditure and Revenue were tabled in the Legislature with the 2007 Manitoba Budget on April 4, 2007.

Fiscal Management and Capital Planning

Fiscal Management and Capital Planning (FMCP) is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework. FMCP develops, implements and co-ordinates the annual estimates process for core government expenditure and revenue, and finalizes the Estimates of Expenditure and Revenue for tabling in the Legislature. FMCP, in co-ordination with the Comptroller's Division, also, works with organizations included in the Government Reporting Entity to prepare the Government of Manitoba's Summary Budget and continued transition to Summary Financial Reports for the public.

FMCP monitors the fiscal status of the core government and prepares reports, ensuring that the government has accurate, timely and relevant information on its fiscal position. Financial and operational information is provided to senior management of the province to facilitate sound financial management of government programs. FMCP also prepares money bills and support information for tabling in the Legislature, and develops and implements such processes that are necessary to maintain the orderly business of government.

In addition, FMCP is responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process related to capital projects and capital expenditures, and for the continued development and support of a multi-year capital planning process. As well, FMCP provides guidance to departments in identifying potential Special Operating Agency candidates, developing proposals and monitoring financial performance.

Analytical Units

The three analytical units are responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process, with respect to program, policy and financial direction to departments. The units monitor, analyze and advise on departmental activities, ensuring the effective, efficient and consistent delivery of government policies and priorities. In addition, the analytical units provide support and assistance to the Fiscal Planning Office.

The units are major participants in the development of the annual estimates of expenditure and revenue. They provide advice and guidance to assigned departments in the preparation of their estimates, analyze departmental estimates and evaluate whether they meet fiscal guidelines, and evaluate alternative strategies. They provide advice and recommendations to Treasury Board on program, policy and resource allocation issues, and they communicate and review Treasury Board decisions with assigned departments.

The analytical units provide ongoing advice and analysis to Treasury Board by reviewing departmental Treasury Board Submissions and providing assessments and recommendations. Other activities include participating in departmental reviews and studies; providing advice to departments on Treasury Board guidelines and procedures, as well as on various policy and financial issues; monitoring the program and financial status of departments; analyzing and reporting on departmental financial information to ensure compliance with government policy and financial objectives; and working with senior departmental personnel to ensure that the necessary communication between Treasury Board and departments is maintained.

Expenditure Management and Continuous Improvement

This unit is responsible for co-ordinating a range of activities, including co-ordinating the Priorities and Strategies Overview component of the annual estimates process, conducting program reviews of selected program areas, co-ordinating performance reporting activities and other internal service improvement projects.

The unit also includes the Administrative Policy Office which develops, interprets and evaluates government-wide administrative policies, which are communicated in the General Manual of Administration (GMA).

Results

A document on "Performance Reporting Principles and Guidelines" was created to assist departments and major Crown agencies in the development and reporting of performance measures. Training sessions were also provided for departmental staff on the subject of performance measurement and reporting. The performance measures in departmental annual reports continued to be co-ordinated by the unit.

Co-ordination of Special Operating Agencies

The *Special Operating Agencies Financing Authority Act* received Royal Assent on June 24, 1992 and provides for the establishment of special operating agencies (SOAs). Special operating agencies are service operations, which are granted more direct responsibility for their operating results and have increased management flexibility to encourage entrepreneurship, enhance service, and achieve cost-savings for government. The Co-ordinator of Special Operating Agencies is responsible for providing guidance to departments in identifying potential special operating agency candidates and in developing proposals and business plans that are reviewed within the annual estimates process.

In 1992/1993, Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. In 2007/2008, the complement of seventeen special operating agencies achieved over $156 million in revenue for government. Special operating agencies continue to provide cost effective services for government and other clients. Further information on the operation of the special operating agencies is provided in the Annual Report for the Special Operating Agencies Financing Authority and for each agency.

Labour Relations

Compensation Services

Compensation Services provides a complete range of services related to administration of the province's job classification program, employee benefits programs and compensation programs to support the collective bargaining process and human resource policy development. Service is provided to Treasury Board, Government negotiators, human resource practitioners and department managers. Service is also provided to external public sector organizations requiring advice, information or interpretation of civil service compensation policies and practices. The branch represents government in negotiations with employee representatives to amend the Civil Service Superannuation Plan, the Public Service Group Insurance Plan and the Teachers Pension Plan.

Results

Support in the form of research and costing of bargaining proposals was provided to negotiation services related to the negotiation and implementation of various collective agreements.

The Regulation under the Civil Service Superannuation Plan was amended to include several organizations not previously covered by the Plan.

Compensation and benefits information management systems were maintained and expanded, and information exchanged with a variety of local and national employers. Compensation Services conducted 13 surveys and responded to 99 surveys from other employers during 2007/2008.

A number of policies were updated to reflect current compensation policy and practice within the organization.

A total of 1,406 classification assessments were completed including implementation of 7 new or updated classification series. Classification delegation audits were completed for scheduled government departments and classification training was presented to human resource practitioners and new members of the Civil Service Commission Board.

Benefits Administration

The Benefits Administration branch is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and human resources policies. Benefits programs include the Ambulance & Hospital Semi-Private (AHSP), Dental, Vision, Prescription Drugs, Extended Health, Travel Health, Long-Term Disability (LTD) plans and Health Spending Account. The branch also provides advice to government departments and other public sector organizations with respect to the application of benefits programs.

Workers Compensation Board (WCB) costs from government departments and agencies are managed through the Benefits Administration branch. Financial information for statutory benefit and insurance programs including Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance Plan, Employment Insurance, and the Levy for Health and Post-Secondary Education is compiled through the branch. Additionally, the branch is responsible for co-ordinating the budgeting and financial reporting activities related to Employee Pensions, benefits and other salary related costs.

Results

The branch provided administrative support and disability management services for LTD plan recipients and monitored accommodation issues related to redeployment of employees on medical grounds. During the 2007/2008 fiscal year 35 employees who had been on LTD were returned to work. As of March 31, 2008, 288 individuals were in receipt of LTD benefits.

Negotiation Services

Negotiation Services provides a complete range of labour relations services to government by representing management in labour relations activities involving both unionized and non-unionized employees. These activities include negotiation of collective agreements with various bargaining agents representing government employees, administration of collective agreements, and providing labour relations assistance respecting non-union employees. The branch also provides, upon request, labour relations services to Crown corporations and government-funded agencies.

Results

The branch represented the Province in the negotiation and renewal of eight separate collective agreements representing a variety of government entities. Six of these collective agreements were represented by the Manitoba Government and General Employees Union (MGEU). These include Legal Aid Manitoba; The Manitoba Agricultural Services Corporation; Addictions Foundation of Manitoba; two separate Manitoba Housing Authority collective agreements and one of the Manitoba Centennial Centre Corporation's collective agreements. A third Manitoba Housing Authority collective agreement with the International Union of Operating Engineers (IUOE) and a second collective agreement at the Manitoba Centennial Centre with the International Alliance of Theatrical Stage Employees (IATSE) were also negotiated.

Contract Administration

Negotiation Services provides support and guidance to management concerning the implementation and interpretation of collective agreements. Services include providing counsel on proposed actions concerning labour relations issues in the workplace. As part of this responsibility, the branch co-ordinates grievance and arbitration activities on behalf of government and conducts training sessions for managers and human resources staff regarding their rights and responsibilities in managing under a collective agreement.

Results

The branch successfully represented the government and a number of Crown agencies before boards of arbitration concerning several rights issues involving both contract interpretation as well as discipline and dismissal matters. In addition, staff managed the interests of the province before the Manitoba Human Rights Commission on a number of human rights cases and before the Manitoba Labour Board on a number of jurisdictional issues. Staff continued to conduct a series of training sessions for line managers and human resource professionals on the topics of "Grievance and Discipline Handling" and "Managing Under a Collective Agreement".

7 Treasury Board Secretariat

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	4,819.3	64.00	5,501.4	(682.1)	1
Other Expenditures	1,014.2		820.7	193.5	2
Total Sub-Appropriation	**5,833.5**	**64.00**	**6,322.1**	**(488.6)**	

1. *Under expenditure is due to position vacancies.*
2. *Over expenditure is primarily due to contract administration and in-year corporate initiatives.*

CONSUMER AND CORPORATE AFFAIRS DIVISION

The Consumer and Corporate Affairs Division facilitates the resolution of disputes between consumers and businesses and tenants and landlords. The division also administers legislation for incorporation and registration of businesses, licensing of trust and loan corporations, credit unions and caisses populaires, licensing companies and individuals involved in the sale of securities, real estate, insurance and raising capital, and maintains registries of vital events and of interests in land and personal property.

Administration and Research

Administration and Research is comprised of three programs; the Assistant Deputy Minister's office, Research and Planning, and Administrative Services. All three programs provide support to the Consumer and Corporate Affairs Division.

Mandate

- Provides overall direction to the Consumer and Corporate Affairs Division
- Assesses the need for new or amended legislation and co-ordinates the development of legislation and other responses to marketplace problems
- Investigates marketplace issues and assesses alternative responses to them
- Provides support for the division's financial systems and budget processes

Results

- Continued work toward regulation of payday loans, including developing The Payday Loans Regulation passed on July 31, 2007 and requesting designation under section 347.1 of The Criminal Code.
- Amendments to *The Consumer Protection Act* limiting the amount that can be charged to cash a government cheque were proclaimed effective October 1, 2007. Review of recommendations for government in the Public Utilities Board Order commenced.
- Amendments to *The Consumer Protection Act* prohibiting expiry dates and fess on most retail gift cards and The Prepaid Purchase Cards Regulation came into effect on November 1, 2007.
- Amendments to *The Insurance Act* received Royal Assent on November 8, 2007. This is the first stage of a significant undertaking to modernize the Act.
- Prepared *The Securities Transfer Act* establishing a comprehensive system of rules for transferring securities that reflects current practices and is harmonized with similar legislation in other provinces.
- Considered what could be done to protect consumers from unknowingly purchasing a vehicle that had been declared a lemon in another jurisdiction and whether other information about a vehicle's history and status should be disclosed.
- Supported the Minister and Deputy Minister in continued work with the other Provinces and Territories on securities regulatory reform, including planning for Phase 2 of the passport system and amendments to *The Securities Act* to harmonize and streamline with the other provinces and provide tools for phase 2 of the passport system.
- Managed Consumer and Corporate Affairs Division program responsibilities within budget.
- Continued consulting with a review group representing unit owners, property managers, lawyers, engineers, architects, realtors and lenders on condominium conversions and various other issues regarding *The Condominium Act*.
- Surveyed condominium boards on construction-related problems and continued discussions with builders, insurers and others regarding the cost and possible features of a new condominium warranty program.
- Provided information on a wide range of topics such as the Canadian Motor Vehicle Arbitration Plan, new home warranty programs, gasoline prices across Canada, housing starts, vacancy rates in rental housing, rent levels in other Canadian cities, expenditures made by landlords to improve rental properties, and rental security deposit interest rates.

8 (a) **Administration and Research**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	329.4	7.78	495.3	(165.9)	*1*
Other Expenditures	250.1		213.9	36.2	
Less: Recoverable from Other Appropriations	(39.5)		(210.0)	170.5	*2*
Total Sub-Appropriation	**540.0**	**7.78**	**499.2**	**40.8**	

1. *Under expenditure is due to position vacancies.*
2. *Reduction in recoveries is due to support services no longer provided.*

Consumers' Bureau

Functions of the Consumers' Bureau

The Consumers' Bureau provides programs in support of Manitoba consumers and businesses and:

- licenses/registers/grants certifications or authorizations to vendors and individual sellers engaged in direct selling; collection agencies and collectors; hearing aid dealers; charities fundraising in Manitoba; and manufacturers or renovators of stuffed articles;
- provides a medium for the mediation and investigation of consumer complaints;
- takes action as appropriate concerning prosecution of offenders under the statutes administered;
- identifies problems and issues in the marketplace and makes recommendations to amend legislation under its mandate as required;
- informs and educates consumers, businesses, service groups, consumer groups and student organizations regarding their rights and responsibilities as well as potential risks in the marketplace; and
- consults with other departments, agencies and organizations in Manitoba, Canada and internationally on current issues.

The Consumers' Bureau administers the following statutes:

- *The Business Practices Act*
- *The Consumer Protection Act*
- *The Personal Investigations Act*
- Bedding and Other Upholstered and Stuffed Articles Regulation of *The Public Health Act*
- *The Charities Endorsement Act*
- *The Hearing Aid Act*
- Part III Reverse Mortgage Loans of *The Mortgage Act*

Bureau functions fall into five main areas:

- Dispute resolution/investigation
- Licensing and registration
- Special investigations
- Information/education
- Administration/legislative review

Each program represents a group of activities with a common objective, however all staff are involved in all areas. As an example, all staff provide information/education to clients. Similarly, all staff offer input and effort resulting in recommendations to make changes to legislation.

Dispute Resolution/Mediation

The dispute resolution/investigation program provides an important tool in monitoring the marketplace. Problems are often reported to the Consumers' Bureau in the form of complaints or inquiries. In response, the Bureau investigates and mediates complaints involving retail transactions of goods or services, financing contracts, collection practices, advertising, and credit reporting.

In 2007/2008, the Bureau handled over 30,000 telephone and e-mail inquiries from consumers and businesses requesting assistance. Disputes are often resolved over the phone or through e-mail by staff without requiring a formal written complaint. During the same period, 468 people come to the Bureau in person to request assistance or to initiate a formal complaint.

The number of complaints registered with the Bureau varies from year to year. In 2007/2008, 1,577 formal written complaints (inclusive of 178 complaint files carried over from 2006/2007) were handled, with home improvement complaints and automotive complaints registering the highest numbers.

The Consumers' Bureau obtained cash settlements or adjustments for consumers totalling $607,207.00 in 2007/2008. The Bureau has a well established record of success in resolving disputes and strives to maintain a high standard through fair and accurate application of knowledge of contracts, relevant legislation and skill in dispute resolution.

Dispute resolution/investigation includes Bureau assistance to consumers and businesses with respect to making claims against the bonds of licensed vendors or collection agents. This may arise after a business failure or in situations where vendors or collection agents do not comply with the requirements of *The Consumer Protection Act*. During 2007/2008 the Bureau was successful in obtaining voluntary compliance to legislation by licensed businesses in all situations where complaints were received. As a result, no bond claims were made.

In anticipation of the pending proclamation of payday loan legislation, the Bureau began the development of the program to develop and deliver inspection, complaint investigation, and education services related to the payday loans. The Bureau hired two new Consumer Services Officers. The Officers will be trained to administer all legislation within the Bureau's mandate, but once the legislation is proclaimed, their focus will be on inspection, complaint investigation and education in the payday loan industry.

Consumer Services Officers handling complaints may identify breaches of consumer protection statutes such as unfair business practices in consumer transactions or misleading advertising. Officers often use mediation as a tool to bring a business into compliance with legislation. When compliance with statutes is not obtained, or where frequent statutory breaches have been identified, referral is made to the special investigation process of the bureau.

ANALYSIS OF COMPLAINTS

Complaint Type	2007/2008	2006/2007
Automotive	230	243
Home Improvements	308	272
Financial	144	174
Personal Effects And Services:		
Hardware and Software	81	114
Personal Services	33	66
Personal Effects	6	7
Mover/Storage	13	12
Personal Improvement	58	60
Home Furnishings And Accessories:		
Home Furnishings and Accessories	60	97
Home Entertainment	18	19
Mail Order And Subscriptions	25	17
Travel	10	31
Other:		
Telemarketing	3	6
Charities	14	21
Other [1]	574	414
Total	**1,577**	**1,553**

1. *Includes food sales, entertainment, coupon books, lotteries, prizes, hobby products, towing companies, parking facilities, mobile homes and residential dwellings. This category also includes complaints/inquiries regarding the "Nigerian-type Scam" and the "Phishing-type scam" that were referred to PhoneBusters.*

Licensing and Registration

The Consumer Protection Act regulates vendors and direct sellers, collection agents and collectors through licensing and bonding requirements. Under the Act, consumers who enter into contracts as a result of a direct sale have a 10-day cancellation right. There are other cancellation rights of up to one year provided to consumers where vendors have not complied with certain requirements specified in the Act.

In addition to administering existing licensing programs, the Bureau developed a licensing framework in anticipation of the pending proclamation of payday loan legislation and the associated requirement to licence payday lenders.

Licences, Registrations and Authorizations

Type	2007/2008	2006/2007
Collection Agent	63	80
Vendors	165	170
Direct Seller	2,176	1,711
Hearing Aid Dealers	50	56
BOUSA*	2,329	2,176
Collectors	3,389	3,296
Charities Authorized	249	205
Total	**8,421**	**7,694**

* Bedding and Other Upholstered and Stuffed Articles

Special Investigations

One of the goals of the Consumers' Bureau is a level playing field in the marketplace for consumers and businesses. The Bureau is often successful in obtaining voluntary compliance with its statutes through mediation. There are instances where investigations of breaches of the various Acts are necessary. Following investigation, some matters are referred to the Justice Department for prosecution or other court action as appropriate. The Crown may also seek redress in court for consumers who have been victimized. As alternatives to prosecution, investigations may result in obtaining assurances of voluntary compliance, orders to freeze assets, or injunctions prohibiting certain actions.

In 2007/2008, one charge of committing an unfair business practice under *The Business Practices Act* was laid. The individual pled guilty and was fined $2,000.00 and an order of restitution in the amount of $2,608.00 was paid into court for distribution to certain complainants.

Six briefs were forwarded to the Department of Justice for consideration of laying of ten charges under *The Consumer Protection Act* for selling without the required licences, and nineteen charges of committing unfair business practices under *The Business Practices Act*.

Thirty-eight charges laid in 2003 were dealt with in 2007/2008, all of which involved licensing requirements. These included 19 charges against an individual under sub-section 75(2) of *The Consumer Protection Act*, 8 charges under sub-section 75(1) and 11 charges under sub-section 75(3) against a company. The company pled guilty to three of the charges and the remaining 35 charges against the company and individual were stayed. The company was fined $10,000.00 plus $3,500 costs and a $1,500.00 victim surcharge. A total of $20,000.00 has been paid out to consumers since the charges were laid, including $7,000.00 in 2007/2008.

The Special Investigations unit maintains a close working relationship with departments and agencies of all three levels of government. As well, investigations benefit from the ongoing support and exchange of information with Industry Canada, the Winnipeg Police Service, Brandon Police Department, RCMP and Project Phone busters.

By effective investigations of breaches of statutes and prompt application to the court, the Bureau protects consumers from unfair business practices and ensures a healthier marketplace for businesses to compete fairly.

Information/Education

Consumers' Bureau staff provided 21 presentations to more than 800 Manitobans in 2007/2008.

General information presentations were made to a number of English Second Language classes at Red River College and two classes at the Applied Linguistics Centre. General Information presentations were also made to groups at the Multi Cultural Family Centre, the Community Legal Education Association, and at the Steinbach 55+ Seniors Centre. Presentations on the role of the Consumers' Bureau and legislation administered by the Bureau were made to two School of Business classes and one consumer issues class at the University of Manitoba, to students at Garden City Collegiate, and to students at Sanford Collegiate. Presentations on identity theft were made to a Lions Club group and to a Y-Neighbours group. A staff member was the guest speaker at

the "Miles for Seniors" wellness day in Cyprus River. A presentation on licensing requirements was made to the Board of Directors of the Brandon Exhibition.

Two presentations were made to the Small Claims Court Hearing Officers on the cost of credit disclosure requirements, the sue or seize provisions, and the direct selling provisions under *The Consumer Protection Act*. The Hearing Officers were also provided with an overview of the pending payday loan legislation.

Three presentations were made on the requirements under *The Charities Endorsement Act* as part of the Canada Revenue Agency's "Roadshow" held to advise Manitoba charities of the requirements under the legislation that governs them.

The Bureau entered into a partnership that includes the RCMP, the Winnipeg Police Service, Manitoba Seniors and Healthy Aging Directorate, and the Addictions Foundation, to hold a "Police Academy – Older Adults Division" in conjunction with the Good Neighbours Senior Centre. The program was developed to educate older adults on safety and security issues, while increasing their knowledge about programs and services. The concept was adapted from a similar program held in Nova Scotia. It began on November 5, 2007 and concluded with a graduation ceremony on December 27, 2007. Approximately 35 participants were provided with presentations weekly on topics such as identity theft, frauds and scams, elder abuse, safety and health. They were given a binder with information on each topic and were encouraged to share the information with other older adults. A second program was held in St. Adolphe starting on February 6, 2008 for seven weeks. Approximately 35 older adults participated there. A smaller two-day version of the Academy was held in Springfield. One session was held in the Fall of 2007 and one in the Spring of 2008. Approximately 50 older adults participated in those sessions. The Consumers' Bureau gave presentations and provided information on frauds and scams, and identity theft at all three of the Academies.

Booths were set up at information fairs in Winnipeg, Ste. Anne, Ste-Agathe, La Broquerie, St. Pierre Jolys, St Malo, and Carman, and a booth was set up at the Northern Association of Community Councils, Inc. general meeting and trade show. Participants were provided with information on their rights and responsibilities under the legislation administered by the Bureau, and on how to protect themselves from scams and identity theft. In addition, a booth was set up at a conference called "There's no place like Home....to do business" where information was given to participants on the licensing requirements under *The Consumer Protection Act*. A total of approximately 1500 individuals attended these events.

The Consumers' Bureau, in partnership with, the Manitoba Seniors and Healthy Aging Secretariat, the RCMP, the Winnipeg Police Service, Manitoba Public Insurance, the Residential Tenancies Branch, The Manitoba Securities Commission, the Manitoba Gaming Control Commission, the Competition Bureau, the Canada Revenue Agency, the Addictions Foundation of Manitoba, and the SafetyAid program, completed a consumer tips calendar for distribution to consumers. It features a different consumer topic each month and provides tips and information on a variety of subjects including identity theft, donating to charity, investing and the Internet, tips for spotting diabetes scams, fraud prevention, chances of winning using VLT or slot machines, the SafetyAid crime prevention program, information for landlords and tenants, the cost of gambling, what to do after a motor vehicle collision, seniors rights, residential home security and the cost of gambling. 30,000 copies of the calendar were distributed to various seniors' organizations and consumer groups as well as individual consumers.

The Bureau entered into a partnership with the RCMP, the Manitoba Securities Commission, the Consumers' Association of Manitoba, and Age and Opportunity, to produce a DVD and facilitator's guide called "Fact or Fraud: the truth about scams and fraud in Manitoba" for distribution throughout Manitoba. The final product will be ready for distribution in 2008/2009.

The Consumers' Bureau regularly receives calls from the media about specific consumer problems or marketplace issues. In 2007/2008 there was a total of ten media contacts on the topics of pet cemeteries and crematoriums, buying vehicles on the Internet, hiring home renovation contractors, the pending payday loan legislation, prepaid purchase cards (gift cards and gift certificates) requirements, and the role of the Consumers' Bureau. Bureau staff participated in television, radio and print interviews in response to media inquiries and utilizes these opportunities to communicate information to consumers and businesses about their rights and responsibilities under its consumer protection legislation.

News releases continued to be used as a proactive measure. The releases contained timely information about certain problems being encountered and current issues in the marketplace. They informed consumers and businesses of their rights and responsibilities and offered information on steps to take to prevent problems.

A total of five news releases were issued in 2007/2008. One release provided tips on hiring home renovation contractors. There were also releases announcing, the prepaid purchase cards (gift cards and gift certificates) legislation, the limits on fees that can be charged for cashing government cheques, the portions of the payday lending legislation that came into effect giving the Public Utilities Board the authority to hold hearings on the rates that can be charged by payday lenders, and the release of the 2008 consumer tips calendar.

The Bureau developed public education materials on the prepaid purchase cards (gift cards and gift certificates) legislation, the government cheque cashing fee requirements, and the advertising requirements under the cost of credit disclosure legislation.

Administration/Legislative Review

The administration/legislative review program effectively manages the internal operation of the Consumers' Bureau, including the management of financial and human resources within the branch. All staff participate in the business planning, policy reviews and legislative reviews of the Acts administered.

The Consumer Protection Amendment Act (Prepaid Purchase Cards) received Royal Assent on December 7, 2006. A public consultation took place on the requirements to be included in a Regulation for prepaid purchase cards. The Prepaid Purchase Cards Regulation was registered on July 31, 2007. The requirements under the Regulation came into effect on November 1, 2007. The Regulation contains provisions addressing expiry dates, fees, and disclosure of terms and conditions on gift cards and gift certificates. The Regulation requires a mandatory review of all requirements by April 30, 2009. The Bureau notified stakeholders of that requirement and requested their on-going input

The Consumer Protection Amendment Act (Government Cheque Cashing Fees) received Royal Assent on June 13, 2006. The Public Utilities Board issued an order establishing the maximum fees that can be charged for cashing a government cheque. The requirements under the Government Cheque Cashing Fees Regulation came into effect on October 1, 2007. The legislation limits the amount that businesses can charge consumers for cashing government cheques..

The Consumer Protection Amendment Act (Payday Loans) received Royal Assent on December 7, 2006. The Payday Loans Regulation was registered on July 31, 2007. The legislation provides a regulatory framework under which payday loan companies are required to operate. The Public Utilities Board held hearings on the maximum amounts that may be charged for payday loans in Manitoba.

The Call Centres Telemarketing Sales Regulation under *The Consumer Protection Act* was developed and registered in 2007/2008. Additionally, amendments were made to the Consumer Protection Regulation. These new and amended provisions modernize certain licensing requirements for call centres who sell goods and services on behalf of other vendors. The regulations also set out cancellation rights for consumers who purchase goods or services through these call centres.

Senior Consumers' Bureau staff participated in the federal, provincial and territorial Consumer Measures Committee (CMC). The CMC provides a forum for national co-operation to improve the marketplace for Canadian consumers by harmonization of laws, regulations and practices and through actions to raise public awareness.

8 (b) **Consumers' Bureau**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	997.1	19.00	1,159.5	(162.4)	
Other Expenditures	655.6		268.0	387.6	1
Grants	99.8		99.8		
Total Sub-Appropriation	**1,752.5**	**19.00**	**1,527.3**	**225.2**	

1. *Over expenditure is due to the cost associated with the Payday Loan legislation administration and particularly the costs of the Public Utilities Board's consideration of maximum rates.*

Residential Tenancies Branch

The branch administers:

- *The Residential Tenancies Act*
- *The Life Leases Act*
- *The Condominium Act*

The Residential Tenancies Branch:

- provides information to landlords, tenants and others on *The Residential Tenancies Act*, *The Life Leases Act* and *The Condominium Act*;
- investigates complaints of non-compliance with the legislation;
- mediates disputes between landlords and tenants;
- makes decisions on disputes between landlords and tenants about:
  - security deposits
  - repairs
  - terms and conditions of a tenancy agreement or life lease
  - the right to continue in occupancy, including termination for non-payment of rent and noise and disturbance
  - claims for compensation
  - privacy
  - non- payment of utilities
  - life lease entrance fees
- makes decisions on landlords' applications for rent increases above the guideline and tenants' objections to any rent increases.

Mediation

The branch provides mediation service to help landlords and tenants resolve disputes. If the parties come to an agreement, the branch creates a written Mediated Agreement outlining the terms. If one of the parties defaults on the agreement, the branch can issue a certified Order that can be enforced in the courts. During 2007/2008 the branch wrote 2,719 Mediated Agreements. Of those, 473 were later converted to an Order.

Information/Education

Telephone Calls/Interviews

The branch has an Interactive Voice Response (IVR) System. The service is available for callers to the Winnipeg general information line as well as to people calling on the toll-free number. Callers have the option of:

- speaking to a Client Service Officer;
- listening to recorded information segments about rent increases, security deposits, landlord and tenant responsibilities and repairs;
- having fact sheet information automatically faxed to them;

- calculating the interest payable on a security deposit;
- adding their name to the mailing list for the branch's newsletter;
- listening to recorded information on the branch's location and hours of business.

The IVR system handled 60,707 phone calls in the 2007/2008 fiscal year; approximately 42,575 of the callers chose to speak to a Client Service Officer. Staff in Brandon and Thompson answered an additional 6,874 calls from clients. These figures do not include calls to the branch about specific cases. During the fiscal year, approximately 5,024 people came to Branch offices to request information or to file a formal complaint.

Website

The Residential Tenancies Branch's website www.manitoba.ca/rtb provides answers to several frequently asked questions. The information is available in English and French. Landlords and tenants can download the most commonly used residential tenancy forms. In late 2007, the branch introduced a new feature that allows landlords to complete Notice of Rent Increase and Notice to New Tenant forms online and submit them to the branch electronically. The electronic method saves mailing costs, speeds delivery times and helps the branch process forms faster. The website also has an automated security deposit interest calculation feature. The website includes the branch's Policies and Procedures Guidebook and links to *The Residential Tenancies Act* and *The Life Leases Act*. The website had 139,775 visits (logons) from April 1, 2007 to March 31, 2008.

Rent Status

Anyone who is considering the purchase of a rental property can apply to the Residential Tenancies Branch for a rent status report. A rent status report provides information on a property's rent history and can alert people to potential rent increase problems. The application and authorization forms can be downloaded from the website. In 2007/2008, the branch received 111 and closed 101 applications for rent status reports. These applications involved 159 buildings with 3,129 rental units.

Orders System

The Residential Tenancies' Orders System is also available online. The Orders System provides information on the orders the branch issues, except for rent regulation orders. Clients can access the system by:

- paying an annual subscription fee of $250 and receiving a password; or
- paying a fee to search online at the branch; there is a $5 charge for each 30 minute search.

Users can search the system by landlord or tenant name or by the address of a residential complex. Searches can also be done based on the type of order (e.g. security deposit, repair) or by topic (e.g. carpet cleaning, advertising costs).

Policies and Procedures Guidebook

The branch has a Policies and Procedures Guidebook, available in both English and French, to assist landlords, tenants and staff. The guidebook provides guidance on those areas not specifically dealt with in *The Residential Tenancies Act*. It also sets out the procedures for how the branch handles most of the issues landlords and tenants refer to the branch. The guidebook has 13 sections on topics like: security deposits, rent regulation, mediation, hearings and repairs. The branch offered copies of the guidebook to various landlord and tenant organizations and to all major libraries in the province as well as to universities and colleges. The guidebook is available on the branch's website.

Speaking Engagements

In 2007/2008, staff of the Residential Tenancies Branch gave 39 presentations to 651 tenant participants and 16 presentations to 249 landlord participants. The branch also made 15 presentations for student groups. These sessions involved 300 participants, including English as a Second Language, Job Re-entry Training/Program, law and social work students as well as mature Aboriginal students. The branch also made 12 presentations for 518 service providers including the Winnipeg Police Services, Community Legal Education Association, Dakota Ojibway Child and Family Services, Winnipeg Regional Health Authority, Manitoba Housing Authority, and Employment and Income Assistance.

The branch had information booths at the Northern Aboriginal Community Council Members Conference, the University of Manitoba's orientation and training week, the Rotary Club's Career Symposium, the Children of the Earth Career Symposium, the Manitoba Bar Association's Law Day Open House, and the Professional Property Managers Association's "Suite Living" conference. Staff had the opportunity to speak with over 550 people at these displays.

Branch Newsletter

The branch continues to publish its newsletter, "Open Doors" in both English and French. The newsletter provides information on changes to the legislation or Branch procedures and includes articles on topics of interest to landlords and tenants. Anyone interested in receiving the newsletter can add their name to the mailing list by calling the branch or visiting the branch's website. The branch has approximately 1,800 people on its mailing list. Clients can choose to receive the newsletter by mail or email. The newsletter is also available on the website.

Parts 1 - 8 of *The Residential Tenancies Act*

CASE LOAD

Case Type	2007/2008	2006/2007
Security Deposits	613	758[1]
Hearings		
• Claims	1,102	1,307
• Order of Possession	1,894	1,763
• Determination	58	21
Repairs	718	815
Notices to Vacate	40	43
Non-payment of Utilities	145	136
Tenancy Agreements	5	11
Failure of Landlord/Tenant to Meet Obligations [2]	51	47
Other [3]	22	14
Total Cases Opened	4,648	4,915[1]
Total Cases Closed [4]	5,019	5,406[1]
Intakes Resolved [5]	5,368	5,699
Total Cases Closed And Intakes Resolved	**10,387**	**11,105[1]**

1. This number is changed from the 2006/2007 report as the branch's case management system now allows for more specific information relating to security deposit cases. The number previously included cases that started as tenant-initiated security deposit or less, but resulted in landlords filing claims for more than the deposit. The number now shows only those cases where the claim was limited to the amount of the security deposit or less.
2. This category includes disputes over locks and doors, privacy, seizure of tenant's property, non-payment of rent, disturbance, withholding of services, unauthorized charges or fees.
3. This category includes disputes involving assignment and subletting, mobile homes, entitlement to collect rent, change of landlord and abandonment of rental unit.
4. These figures include cases carried over from the previous fiscal year which were closed during the reporting period.
5. An Intake is a client's request for assistance that does not result in a formal case file being opened. Most are resolved informally at the first stage of contact.

Part 9 of *The Residential Tenancies Act*

CASE LOAD

Case Type	2007/2008	2006/2007
Landlord Application for Rent Increase Above the Guideline [1]	257	328
Application for Laundry Increase	15	20
Application for Approval of a Rehabilitation Scheme - Complex	20	21
Application for Approval of a Rehabilitation Scheme- Specified Unit [2]	62	-
Application for Tenant Requested Improvement	35	15
Application for Withdrawal of Service	17	12
Life Lease Rent Review	2	0
Tenant Objection to Guideline, or less, Rent Increase	159	136
Unauthorized Rent Increases	351	485
Total Cases Opened	918	1,017 [3]
Total Cases Closed [4]	1,102	1,192

1. The rent increase guideline for 2006 was 2.5%, 2.5 % for 2007 and 2.0% for 2008.
2. Program began November 1, 2007.
3. This number is changed from the 2006/2007 report as the case type Rent Increase for New Tenants – S.132 has been removed from the table. Statistics for this case type are currently not available.
4. These figures include cases carried over from the previous fiscal year which were closed during the reporting period.

Note: The figures shown here may differ from those in the annual report on the administration of *The Residential Tenancies Act*. This difference results from using figures based on the calendar year versus the fiscal year.

Performance Standards

The branch has performance standards for the time required to complete a case. The following paragraphs provide details of the branch's performance for four case types.

The branch holds hearings to consider claims for compensation and applications for orders of possession. The target for issuing decisions on orders of possession is within three working days of the hearing date. During the 2007/2008 fiscal year, the branch was able to meet its target in most cases.

The performance target for issuing compensation claim decisions is within ten working days of the hearing date. During the 2007/2008 fiscal year, the branch's average time for issuing decisions on claims was approximately 14 working days.

When a landlord makes a claim for the security deposit plus interest or less, the branch tries to help the tenant and landlord come to an agreement. If they can't agree, they can ask the branch to make a decision on the claim. The branch usually makes a decision on this type of claim by reviewing written information and other submissions. The performance target for issuing these orders is three months from the date the case is opened. Currently the average time to complete the entire process is three months.

During 2007/2008, the branch redesigned its business processes for handling rent regulation cases. As part of this redesign, a new case management system was implemented. The design and testing of the new system resulted in delays in the processing of rent increase cases. In recognition of this, the branch temporarily reset the standards for completing work on applications for rent increase above the guideline. The interim target was to issue a decision within six months of the date the branch received the application. During the reporting period, approximately one-half of the cases were closed within six months.

Safety Net Program

The Safety Net Program's main purpose is to help people with special needs that are being evicted. These include clients with mental or physical disabilities, the elderly and infirm, single parents or families with children. The safety net program may also be used when the Department of Health placards a building or there is some other unsafe living condition.

When the branch issues an order of possession, a safety net officer reviews the case. If the officer believes the tenant has special needs, the officer contacts the tenant to make sure they understand the order of possession and they know where to go to for assistance. In some cases, the officer might contact an appropriate social services agency. For example, if the tenant is a single parent on social assistance, the safety net officer might contact the tenant's worker to let them know what's happening and to make sure the tenant will receive moving expenses and temporary accommodation, if necessary.

The safety net officer has contacts with mental health workers, Employment and Income Assistance, the City of Winnipeg and the Department of Health, the City of Winnipeg Police Department's Community Relations and Community Credit Counselling Services.

8 (c) Residential Tenancies Branch

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	3,585.3	59.50	4,016.3	(431.0)	
Other Expenditures	747.1		925.5	(178.4)	
Total Sub-Appropriation	**4,332.4**	**59.50**	**4,941.8**	**(609.4)**	1

1. *Under expenditure is due to position vacancies and the implementation of the unit rehabilitation program later in the fiscal year than originally anticipated.*

Financial Institutions Regulation Branch

The Financial Institutions Regulations Branch administers legislation related to insurance companies, trust and loan corporations, credit unions and caisses populaires and cooperatives.

The mandate of the branch is to:

- provide a legislative and regulatory framework to promote the orderly growth and development of cooperatives, credit unions and caisses populaires, and the insurance industry in Manitoba;
- protect the public while facilitating the transaction of the business of insurance;
- regulate and license private insurance companies;
- license hail insurance agents, hail insurance adjusters and accident and baggage insurance agents.
- oversee the Insurance Council of Manitoba in its role to license and supervise the activities of all other insurance agents and adjusters;
- issue business authorizations to trust and loan corporations to do business in Manitoba;
- provide a legislative and regulatory framework to safeguard the funds gathered from the public and ensure the prudent investment of those funds;
- protect members of cooperatives, credit unions and caisses populaires through the administration of *The Cooperatives Act*, *The Credit Unions and Caisses Populaires Act* and corresponding regulations;
- monitor the financial and operational performance of the Credit Union Deposit Guarantee Corporation, La Société d'assurance-dépôts des Caisses Populaires, The Credit Union Central of Manitoba and La Fédération des Caisses Populaires du Manitoba;
- maintain a registry for cooperatives, credit unions and caisses populaires, assist with the incorporation of such entities and provide advice on statutory matters including issuing securities to members; and
- review existing legislation and recommend changes where appropriate.

The Financial Institutions Regulation Branch administers the following statutes:

- *The Cooperatives Act*
- *The Credit Unions and Caisses Populaires Act*
- Part XXIV of *The Corporations Act* (Trust and Loan Corporations)
- *The Insurance Act*
- *The Insurance Corporations Tax Act*, and
- *The Marine Insurance Act*

In addition, the tax under the regulations of *The Fires Prevention and Emergency Response Act* is collected on behalf of the Fire Commissioners Office.

To accomplish its mandate the branch engaged in the following activities:

Inquiries

- Answered inquiries of a general nature about financial institutions, financial services and cooperatives.
- Answered questions from financial institutions and cooperatives on the legislative and regulatory requirements in Manitoba.
- Responded to inquiries and complaints from consumers and members.
- Mediated disputes between consumers and insurance companies and between members and their cooperative, credit union or caisses populaire with 90 complaint files processed.

Monitoring of Financial Institutions

- Assessed the financial performance and operations programs of Credit Union Central of Manitoba and La Fédération des Caisses Populaires du Manitoba Inc.
- Assessed the adequacy of controls for lending and other risks in the credit union and caisses populaires systems.
- Assessed the financial performance and the effectiveness of the programs carried out by The Credit Union Deposit Guarantee Corporation and La Société d'assurance-dépôts des caisses populaires.
- In partnership with the Office of the Superintendent of Financial Institutions Canada, inspected for solvency the 6 Manitoba Insurers.
- Prepared the Annual Report on Insurance companies required by *The Insurance Act*.
- Reviewed the annual returns from 51 federal and extra-provincial trust and loan corporations operating in Manitoba and reviewed areas of concern with the primary regulators from the incorporating jurisdictions.

Licensing and Business Authorizations

- Licensed 253 insurance companies to transact insurance in Manitoba.
- Licensed 287 hail insurance agents, 606 accident and baggage insurance agents and 65 hail adjusters.
- Reviewed and approved 51 business authorizations for federal and extra-provincial trust and loan corporations operating in Manitoba.

Incorporation

- Assisted in the incorporation process of new cooperatives, as well as in amending the articles of incorporation and by-laws of cooperatives.
- Assisted in the amending of the articles and by-laws of credit unions and caisses populaires.
- Developed information kits and model bylaws for different types of cooperatives.

Other

- Monitored the regulatory activities of the Insurance Council of Manitoba. The Insurance Council of Manitoba has delegated responsibility for setting entry level standards, examinations and licensing of insurance agents, brokers and adjusters and for reviewing and investigating the conduct of these persons and taking disciplinary action as required.
- Arranged and assisted the Tribunal hearings for terminations of memberships of members of housing cooperatives.
- Maintained a central registry for the orderly filing of all documents required under *The Credit Unions and Caisses Populaires Act* and *The Cooperatives Act*.
- Consulted on potential amendments to *The Cooperatives Act* and Regulations.
- Continued consultation to recommend amendments to *The Credit Unions and Caisses Populaires Act* and regulations.
- Continued the review of future amendments to *The Insurance Act*.

- Collected the premium tax under *The Insurance Corporations Tax Act ($64.4 million).*
- Collected the tax under *The Fires Prevention and Emergency Response Act ($5.5 million).*

Client Services

Monitored stakeholders' satisfaction by surveying each insurance company and one of every three consumers that came into contact with the branch as a result of the mediation role. The result was a satisfaction rate of 82%.

Trust and Loan Corporations

As at March 31, 2008 there were 51 federal and extra-provincial trust and loan corporations operating in Manitoba.

Credit Unions/Caisses Populaires

Following are the consolidated statistics from the credit union and caisses populaires systems operating in Manitoba at December 31:

Credit Unions	2007	2006
Total Assets	$12.9 billion	$11.5 billion
Total Deposits	$12.0 billion	$10.7 billion
Total Loans	$10.6 billion	$9.4 billion
Members	562,650	527,000
Number of credit unions/locations	52/180	57/180

Caisses Populaires	2007	2006
Total Assets	$693 million	$652 million
Total Deposits	$643 million	$597 million
Total Loans	$556 million	$545 million
Members	30,300	30,746
Number of caisses populaires/locations	5/28	7/28

Cooperatives

As at March 31, 2008 there were 356 cooperatives with over 353,000 active members operating in Manitoba categorized as follows:

Classification of Cooperatives	2007	2006
Housing	55	58
Consumer	62	60
Day-care	41	41
Community Service	28	27
Utility	36	36
Marketing	29	32
Recreational and community clubs	30	29
Farmers Markets	9	9
Agriculture/Producer	17	18
Cattle Feeders	10	10
Employment	19	17
Fishing	10	9
Communications and Transportation	10	7
Total	**356**	**353**

During 2007/2008, 15 new cooperatives were incorporated or revived while 12 cooperatives were dissolved or were discontinued.

Insurance

Summary comparisons of licensing and complaint activities performed by the branch and Insurance Council of Manitoba are as follows:

LICENSING OF INSURANCE COMPANIES		
Description	**2007/2008**	**2006/2007**
Federal	211	214
Provincial	42	44
Total	**253**	**258**

LICENCES ISSUED BY SUPERINTENDENT OF INSURANCE OFFICE		
Description	**2007/2008**	**2006/2007**
Hail Agents	287	306
Accident and Baggage Agents	606	638
Miscellaneous Agents	4	4
Subtotal Agents	**897**	**948**
Hail Adjusters	65	64
Special Brokers Licences	4	5
Total	**966**	**1,017**

LICENCES ISSUED BY INSURANCE COUNCIL OF MANITOBA		
Description	**2007/2008**	**2006/2007**
Life Agents	2,586	2,458
General Agents	3,108	2,919
Accident and Sickness Agents	2,044	1,887
Automobile Agents	4	4
Subtotal Agents	**7,742**	**7,268**
Adjusters	72	70
Assistant Adjusters	12	15
Subtotal Adjusters	**84**	**85**
Total	**7,826**	**7,353**

LICENCES CANCELLED, SUSPENDED, REVOKED OR REFUSED BY INSURANCE COUNCIL OF MANITOBA		
Description	**2007/2008**	**2006/2007**
Agent Licences Cancelled	3*	5
Agent Licences Suspended	0	0
Agent Licences Revoked	2	0
Agent Licences Refused	1	0
Suspension, fines and costs	0	2
Suspension and costs	0	0
Costs only	0	1
Fines and costs	8	17
Total	**14**	**25**

* *2 cancelled due to failure to carry errors and omissions insurance.*
1 cancelled due to failure to complete continuing education credits.

INSURANCE AGENT AND ADJUSTER LICENCING EXAMINATIONS BY INSURANCE COUNCIL OF MANITOBA						
	WRITTEN		**PASSED**		**FAILED**	
	2007/2008	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**
Life	429	428	314	305	115	123
General	38	48	14	8	24	40
Accident & Sickness	2	14	2	9	0	5
Subtotal Agents	**469**	**490**	**330**	**322**	**139**	**168**
Adjusters	5	15	3	9	2	6
Total	**474**	**505**	**333**	**331**	**141**	**174**

ANALYSIS OF COMPLAINTS - PART ONE

	LIFE		ACCIDENT & SICKNESS		ANNUITIES – RRSPs		PERSONAL LINES/ TENANTS and HOMEOWNERS		COMMERCIAL LINES	
Description	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**
Claims	4	11	15	32	0	0	14	23	1	3
Application Rejected/ Renewal Refused	2	1	0	0	0	0	3	2	0	0
Premium Payments	10	12	0	1	0	0	5	3	1	1
Claim Tactics	0	0	0	0	0	0	0	0	0	0
Selling Tactics	1	2	0	1	0	0	1	1	0	0
Sales Promotion and Advertising	1	0	1	0	0	0	1	1	1	0
Rebating	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	1	0	0	0	0	0	1	2	0
Totals	**18**	**27**	**16**	**34**	**0**	**0**	**24**	**31**	**5**	**4**

ANALYSIS OF COMPLAINTS - PART TWO

	HAIL		TRAVEL		FARM		MISCELLANEOUS LINES – LIVESTOCK, BAGGAGE, WARRANTIES, EXTENDED AUTO COVERAGE ETC.	
Description	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**	**2007/2008**	**2006/2007**
Claims	0	1	3	2	2	2	2	0
Claims Tactics	0	0	0	0	0	0	1	
Selling Tactics	0	2	0	0	0	0	1	0
Sales Promotion and Advertising	0	0	0	0	0	0	0	0
Miscellaneous	0	1	0	1	0	0	6	10
Totals	**0**	**4**	**3**	**3**	**2**	**2**	**10**	**10**

COMPLAINT STATISTICS - INSURANCE COUNCIL OF MANITOBA		
Description	**2007/2008**	**2006/2007**
Number of Complaints Opened	86	93
Number of Complaints Dealt With	86	94
Number of Complaints Outstanding at March 31	23	23

NEW COMPLAINTS PER COUNCIL		
Description	**2007/2008**	**2006/2007**
Adjusters Council	9	7
General Council	30	29
Life Council	47	57

8 (d) Financial Institutions Regulations Branch

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	666.5	11.50	778.9	(112.4)	
Other Expenditures	156.4		260.9	(104.5)	1
Total Sub-Appropriation	**822.9**	**11.50**	**1,039.8**	**(216.9)**	

1. *Under expenditure is due to lower professional fee costs for the Office of Superintendent of Financial Institutions.*

Claimant Adviser Office – Automobile Injury Compensation Appeals

The Claimant Adviser Office (CAO), established under the *Manitoba Public Insurance Corporation Act* (the Act) in 2004, officially opened for business on May 16, 2005. CAO assists persons who wish to appeal a decision made by the Manitoba Public Insurance Corporation (the Corporation) in relation to bodily injury claims to the Automobile Injury Compensation Appeal Commission (the Commission). The CAO is independent from the Manitoba Public Insurance Corporation (MPIC) and the Commission.

The Claimant Adviser Office is fully accessible to persons with disabilities and offers its services in both official languages. A public access computer workstation is available at the office for the use of claimants who are working with the CAO.

The Appeal Process

A claimant who disagrees with an MPIC case manager's decision in respect of a bodily injury claim may have that decision reviewed by MPIC's Internal Review Office. A decision of an internal review officer may be appealed to the Automobile Injury Compensation Appeal Commission.

A claimant who is appealing a decision of an internal review officer is entitled to seek the assistance of the Claimant Adviser Office. A claimant who has completed an intake form and authorized the CAO to act for them is assigned a claimant adviser to assist them with their appeal. Under the Act, the CAO may:

- advise a claimant about the meaning and effect of the provisions of the Act, the regulations and decisions made under this Act;
- carry out investigations or inspections in relation to a claim;

- obtain an expert opinion respecting a claim; and
- communicate with or appear before the Commission on behalf of an appellant.

Once a claimant has filed a Notice of Appeal with the Commission, the Commission creates an indexed file which forms the core evidence used for the appeal. Upon receipt of the indexed file, a claimant adviser will review the file and assist the claimant with the pursuit of their appeal. This may include obtaining further evidence for addition to the indexed file. Claimant advisers appear for the claimant at the appeal hearing. In some cases, the claimant adviser may ask MPIC to reconsider its decision in light of new evidence obtained through the investigative process. In other cases, if the evidence does not support the issue at appeal, the claimant adviser will meet with the claimant to discuss the file analysis and their options, which may include considering the withdrawal of the appeal. Claimant advisers have also entered into settlement discussions with MPIC when authorized to do so by a client.

Activity Summary

In 2007/2008, 148 new intake files were opened and 229 files were investigated.

File Analysis

Closed Files	**2007/2008**
No appealable issue	* 82
Appeal allowed	10
Appeal denied	9
Settlement (No hearing)	3
New decision from MPIC	**5
Withdrawn after review	6
Total	**113**

Status Of Open Files	**2007/2008**
Claimant application incomplete	3
CAO awaiting Indexed File	21
Active files	299
Total	**323**

Status Of Active Files	**2007/2008**
Decision pending	2
Hearings adjourned	4
Hearing dates requested	10
Hearings scheduled	10
Files under active review	117
Files awaiting review	156
Total	**299**

Appeal Hearing Dates	**2007/2008**
Appeal Hearing dates	21
Pre-Hearing dates	14
Adjourned hearing dates	8
Total	**43**

* 54 of the "No Appealable Issue" files were longstanding pending files that represented a category of clients who had initially contacted the CAO for services but failed to provide the necessary documentation and authorization forms. In 2007/2008 a concentrated effort was made to contact these clients and determine if they required assistance.

** Two of the five "New Decisions" were part of multi-issue appeal files. In both of those files the CAO was able to obtain new decisions on two individual issues, and obtain successful appeal decisions from AICAC on the remaining decisions from AICAC.

Performance Targets

A number of variables affect setting and achieving performance targets for the Claimant Adviser Office. There is a great variety in the size and complexity of the files. The majority of files contain multiple issues being appealed.

Investigation of appeal files can also be complex. In the typical case it is necessary for the CAO to obtain reports from the claimant's caregivers. In some cases it is optimal to obtain a specialist's opinion to support the appellant's case. This may require the claimant to wait for an appointment to attend a busy specialist. The time spent to obtain a consultation with very busy specialists can be considerable and cannot be controlled by the CAO.

Within these acknowledged constraints, the Claimant Adviser Office established the following performance targets.

- Files shall be assigned to a claimant adviser within three weeks of first contact by an appellant with the office.
- The claimant adviser assigned to a file shall contact a claimant within one week to explain the appeal process and provide tentative time lines.
- The claimant adviser assigned to a file shall, within six weeks of receiving the indexed file from the Commission, review the indexed file and develop an action plan for the claim.
- The claimant adviser assigned to a file shall seek an appeal date within six months of receipt of the indexed file.

Sixty-two percent of client files were assigned to claimant advisers within three weeks of contact with the office. Files that were not assigned within three weeks belong primarily to clients who had asked for intake and authorization forms to be mailed and had not returned the information within the three week period.

Eighty-four percent of claimants were contacted by the claimant adviser within one week of the file being assigned.

Seven percent of the indexed files received in 2007/2008 were reviewed within the six week performance target. Claimant advisers were working on a backlog of files in addition to new files opened in 2007/2008 which created challenges in achieving the performance target. Additionally there was an increase in the number of indexed files received at the CAO. In 2007/2008 165 indexed files were received in comparison to 142 in 2006/2007. The CAO will continue to monitor the time required to review indexed files and anticipates an improvement in the next fiscal year.

The final performance measure requires claimant advisers to seek an appeal date within six months of receipt of the indexed file. In 2007/2008 claimant advisers requested appeal dates for 3% of files in this category. The CAO continues to work through a backlog of files created since the office opened in 2005. The appeal file backlog has hampered our ability to achieve this performance target. The CAO will continue to monitor this measure and anticipates an improvement in the next fiscal year. Additional staff have been approved and hired to assist with the demand for services and backlog of appeal files.

The CAO was able to obtain five new decisions from the Corporation and negotiated three appeal settlements agreements in 2007/2008. This effort has resulted in client satisfaction with the appeal process and the services provided by the Claimant Adviser Office. It has also removed appeal issue(s) from the appeal process, thereby reducing the workload for both the Commission and the MPIC Legal Department. The CAO anticipates resolving increased numbers of issues to the satisfaction of clients with an effective mediation process. This in turn will reduce the number of appeal files at the Commission and the appeal workload experienced by the Corporation.

The CAO represented a client with an appeal in the French language in 2007/2008. This was the first request for a hearing in the French language since the office opened in 2005. The Commission rendered a favourable decision to the appellant concerning the issue of causation.

Eighty-eight files were closed at the pre-hearing stage in 2007/2008 because appellants had withdrawn their appeal after an analysis of the file showed that there was no evidence to support the appeal. A claimant adviser met with each client, after a thorough and rigorous review and assessment of file evidence, case law and applicable legislation and regulations. They discussed the merits of the appeal, the perspective of the client, the provisions of the MPIC Act and Regulations and relevant case law. These discussions have led to closure for some clients, a better understanding of the MPI decisions and the provisions of the Act and Regulations, and satisfaction with the opinion provided by the claimant adviser. A withdrawal of an appeal results in a reduction in the workload for both the Commission and the MPIC Legal Department as neither has to prepare for, present, hear or decide the appeal.

The CAO receives calls from individuals which, for a variety of reasons, do not result in opening a file. Many of the calls are from MPIC claimants requesting assistance at the case management and internal review office level. These types of requests for service are outside of the mandate of the CAO. As the public becomes more familiar with the existence of the CAO, it is likely that such requests will increase. The CAO will monitor these calls and consider the most effective ways of informing the public of the services provided by the CAO.

8 (e) Claimant Adviser Office - Automobile Injury Compensation Appeals

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	350.2	10.50	324.6	25.6	
Other Expenditures	169.0		222.1	(53.1)	
Total Sub-Appropriation	**519.2**	**10.50**	**546.7**	**(27.5)**	

Automobile Injury Compensation Appeal Commission

General

The Automobile Injury Compensation Appeal Commission ('the Commission'), now in its fourteenth full year of operation, is a specialist tribunal established under *The Manitoba Public Insurance Corporation Act* ("the Act") to deal with appeals of internal review decisions concerning benefits under the Personal Injury Protection Plan (PIPP) of Manitoba Public Insurance Corporation ('MPIC'), a "no-fault" insurance program.

The Commission has nine full-time staff comprised of a chief commissioner, two deputy chief commissioners, a director of appeals, two appeals officers, a secretary to the chief commissioner and two administrative assistants. In addition, there are twenty-one part-time commissioners who sit on appeal panels on an as-required basis.

In 2007/2008, 171 individuals filed appeals respecting 187 MPIC internal review decisions. This compares with 209 appeals filed respecting 211 MPIC decisions in the 2006/2007 fiscal year. Most of the appeals heard during the 2007/2008 fiscal year relate to injuries sustained in prior years, some as early as 1994. As each year passes, many of the files increase in terms of the volume of documents and time required by the Commission to review the files. This is due in part to the fact that when injuries are relatively serious and the insurer's initial liability is not disputed, a claimant may be in receipt of income replacement, medical treatment or other coverage from MPIC for an extended period; in such cases it is only when the insurer decides to terminate benefits that the appeal process is initiated.

The Appeal Process

Rights of appeal are explained to claimants by MPIC in writing at each step of the claims process.

Decisions on claims are made initially by MPIC case managers. A claimant who is not satisfied with the decision of a case manager has 60 days to appeal the decision to an MPIC internal review officer who will decide the appeal and issue a written decision with reasons for the decision.

If a claimant is not satisfied with the MPIC internal review decision a further appeal may be made to the Commission by filing a Notice of Appeal. An appeal to the Commission must be filed within 90 days of the date a claimant receives the internal review decision. An extension for filing an appeal may be granted by the Commission if the claimant provides a reasonable explanation for missing the 90 day filing deadline.

After receiving a Notice of Appeal the Commission obtains the appellant's complete file from MPIC. The file is reviewed and an "indexed file" of all relevant documents is created. The indexed file is provided to the appellant or the appellant's representative and to MPIC and, once both parties have had an opportunity to review the indexed file and submit any further documents they feel are relevant to the appeal, a date is set for the hearing of the appeal.

Prior to 2005/2006, appeal hearings were conducted by panels of three commissioners, however, the Act was amended in 2005 to allow appeals to be heard by either a single commissioner or a panel of three commissioners in order to provide greater flexibility and allow the Commission to deal more efficiently and expeditiously with some appeals.

In 2007/2008 the Commission held 109 hearings and 57 pre-hearing meetings as compared to 90 hearings and 47 pre-hearings in 2006/2007. A significant factor in the increase of pre-hearings in the last two fiscal years was that some appeals required further case management by a commissioner for various reasons such as to determine the status of the appeal, or whether there is any reason why the Commission should not schedule a hearing date. The result of pre-hearings significantly reduced the number of appeal hearings that were to be determined on the merits. Appellants were successful in whole or in part in 27% of the appeals heard by the Commission during 2007/2008.

The Commission hearings are informal in that the Commission is not strictly bound by the rules of evidence followed by the courts. In a majority of cases appellants do not have legal representation, although the availability of the Claimant Adviser Office means that more appellants now have the advantage of being represented at appeal hearings. Where feasible, the Commission will travel outside of Winnipeg to conduct a hearing or, if it is appropriate and of benefit to an appellant who lives or works elsewhere, a hearing may be conducted by teleconference.

Appellants and MPIC may call witnesses to testify and may also bring forward new evidence at appeal hearings. The Commission does have hearing guidelines which call for an appellant or MPIC to provide the Commission and the other party with disclosure and advance notice of any witnesses to be called or additional documented evidence to be presented at a hearing.

The commissioner(s) hearing an appeal weigh the evidence and the submissions of both the appellant and MPIC and, at the conclusion of a hearing, may issue a decision immediately or reserve their decision in order to consider the matter further before rendering a decision. Under the Act the Commission is given certain defined powers with respect to an appeal, and following an appeal hearing the Commission may:

(a) confirm, vary or rescind MPI's review decision; or
(b) make any decision that MPI could have made.

The Commission issues written decisions and provides written reasons for the decisions. The decisions and reasons are sent to the appellants and to MPIC. A delay in issuing decisions may occur when the commissioners find it necessary to seek further independent expert evidence, in which case that evidence is promptly shared with both parties and they are given an opportunity to respond before the Commission's decision is finalized.

All of the Commission's decisions and reasons are available for viewing at the Commission's office and on its web site. The decisions are also available through QuickLaw, a commercial online information provider that maintains an electronic database of decisions rendered by courts and tribunals across the country.

A decision of the Commission is binding, subject only to a right of appeal to the Manitoba Court of Appeal on a point of law or a question of jurisdiction, and then only with leave of the court. There were six applications for leave to appeal in the 2007/2008 year. The Court of Appeal denied leave in four cases, adjourned sine die one case and has yet to hear one application. On five other applications for leave which were filed in previous fiscal years and where leave to appeal was granted, one is still reserved by the Court, two were allowed, one was dismissed and one was withdrawn. In the Commission's fourteen years of operation, the Court of Appeal has granted leave to appeal in a total of ten cases.

Performance Targets

The Commission strives to hear and decide appeals fairly, accurately and with reasonable expedition. With this in mind, the Commission has established the following performance targets:

- Preparation of the indexed file of material to be used at the hearing within five weeks after receipt of MPIC's file and all other additional material.
- Hearings are scheduled within 6 – 8 weeks from the time the parties notify the Commission of their readiness to proceed.
- Written decisions are rendered within 6 weeks following the hearing and receipt of all required information.

The Commission continues to experience a consistent volume of appeals filed resulting in the following average turnaround times for 2007/2008:

- Files are indexed within 27 weeks compared to 40-49 weeks in 2006/2007.
- Hearings are scheduled within 9.5 weeks from the time the parties are ready to proceed to a hearing and the actual hearing date.
- The average turnaround time from the date a hearing concluded to the date the Commission issues an appeal decision was 7.5 weeks in 2007/2008.

The Commission recognizes the preparation of the indexed file still does not meet its performance targets. This is due to a staff turnover over the last two years which has impacted the number of files the Commission was able to process. As well, with the influx of time, the number of issues has increased in respect of each individual appeal. The Commission addressed the backlog by hiring additional temporary staff to assist with the backlog of indexing. This has resulted in a reduction of the number of files waiting indexing.

While the Commission is experiencing a backlog of files requiring indexing, additional performance targets for 2007/2008 included:

- Prepare 66 indexed files quarterly and complete indexes on older files as a priority.

This has resulted in the Commission completing a total of 252 indexes for 2007/2008 which is 95% within the new objectives.

8 (f) **Automobile Injury Compensation Appeal Commission**

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	749.7	9.00	822.0	(72.3)	
Other Expenditures	254.0		274.0	(20.0)	
Total Sub-Appropriation	**1,003.7**	**9.00**	**1,096.0**	**(92.3)**	

Residential Tenancies Commission

The Residential Tenancies Commission is a quasi-judicial, specialist tribunal that hears appeals from decisions and orders of the Director under *The Residential Tenancies Act*.

The Residential Tenancies Commission consists of:

- The Chief Commissioner - a full-time position; appointed for up to a five-year term, located in Winnipeg.
- Deputy Commissioners – – one full-time position and twenty part-time positions; may exercise the powers and perform the duties of the Chief Commissioner; appointed for a two-year term; from Winnipeg, Brandon and Thompson.
- Panel members - forty-six panel members – approximately half representing the views of the landlords, the others the views of the tenants; from Winnipeg, The Pas, Thompson and Brandon.

Hearings are before a panel of three consisting of one landlord representative, one tenant representative and a neutral commissioner which is either the Chief Commissioner or one of the deputies. Hearings are chaired by the neutral commissioner. The neutral commissioner also casts the deciding vote if there is a tie. Hearings outside of Winnipeg are held at the nearest judicial district.

The Residential Tenancies Commission decisions can be appealed to the Court of Appeal, but only on a question of law or jurisdiction. A Court of Appeal judge must grant leave or permission to appeal. Section 179 of *The Residential Tenancies Act* dealing with rent regulation states that *"No appeal lies from a decision or order of the commission made in a matter arising under Part 9."* The Residential Tenancies Commission's decision here is final.

ACTIVITY SUMMARY
April 1, 2007 – March 31, 2008

	Received	Processed
Activity		
Abandonment	0	0
Claim For Security Deposit or Less	50	52
Disputes	0	0
Distraint and Lockout	2	1
Enforcement	0	0
Hearings	322	330
Repairs	20	18
Utilities	4	2
Rent Regulation	79	115
Total	**477**	**518**

Appeals [1]	
Landlord initiated	169
Tenant initiated	183
Other Party initiated	5
Multiple Party initiated	120
Total	**477**

Decisions [2]	
Orders upheld	181
Orders varied	197
Orders rescinded/overturned	45
Orders withdrawn/settled	81
Orders cancelled	6
Orders denied	8
Total	**518**

1. *Total Appeals represents the number of Appeals received within the fiscal period.*
2. *Total Decisions represents the number of Appeals processed, Orders issued and files closed within the fiscal period.*

ACTIVITY SUMMARY April 1, 2007 – March 31, 2008		
	Received	**Processed**
Winnipeg Appeal Hearings		**441**
Other Appeal Hearings:		
Altona		1
Beausejour		1
Brandon		11
Dauphin		1
Flin Flon		0
Morden		0
Portage la Prairie		0
Selkirk		4
Ste. Anne		1
Steinbach		2
The Pas		0
Thompson		4
Virden		0
Total Winnipeg and Other Appeal Hearings [1]		**466**
Court of Appeal		
Applications for Leave to Appeal	21	
Denied		19
Pending		1
Granted		0
New Commission Hearing to be held		1
Adjourned Sine Die		-
Withdrawn		3
Settled		-
Abandoned		-
Court of Appeal Hearings		
Pending		

1 *Total Appeal Hearings represents the actual number of hearings which took place within the fiscal period.*

8 (g) Residential Tenancies Commission

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	667.0	7.50	717.9	(50.9)	
Other Expenditures	194.2		201.3	(7.1)	
Total Sub-Appropriation	**861.2**	**7.50**	**919.2**	**(58.0)**	

CAPITAL INVESTMENT

Capital investment is provided in the Estimates of Expenditures under Part B. For the year ended March 31, 2008, the department's capital authority provided for renovations associated with the Residential Tenancies Branch (RTB) Re-engineering project and the upgrade of the existing Integrated Taxation System culminating on September 10, 2007 with the official launch of TAXcess an online service where tax payers can register, file, pay and view their business tax accounts.

Part B Capital Investment

Expenditures by Sub-Appropriation	Actual 2007-2008 $(000s)	Estimate 2007-2008 FTEs	Estimate 2007-2008 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Finance	613.6		845.9	(232.3)	*1*
Total Sub-Appropriation	**613.6**		**845.9**	**(232.3)**	

1. Under expenditure is essentially due to deferred renovations associated with the RTB Re-engineering project.

SUSTAINABLE DEVELOPMENT

The department is committed to the Principles and Guidelines set out in *The Sustainable Development Act* and works to incorporate them in department activities, programs and business practices.

The following activities continued throughout 2007/2008:

- The department maintained its sustainable development homepage on the *Intranet* as a department link to *The Sustainable Development Act* and the Green Procurement page of the Procurement Services Branch, Manitoba Infrastructure and Transportation.
- "Green" products and recycled materials continue to be purchased where available including the purchase of recycled copy paper.
- The department continued the recycling of various materials.
- Departmental staff assigned fleet vehicles continue to use ethanol-blended gasoline where available.

Part A - Operating Expenditure
Department of Finance
Reconciliation Statement
($000s)

Details	2007-2008 Estimate
2007-2008 Main Estimates	$378,562.6
Allocation of Funds from:	
Enabling Appropriations	650.0
2007-2008 Estimate	**$379,212.6**

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07- 1	ADMINISTRATION AND FINANCE				
31.0	(a)	Minister's Salary	42.1	30.3	11.8	1
	(b)	Executive Support				
485.2		Salaries and Employee Benefits	531.2	430.8	100.4	
90.7		Other Expenditures	126.0	95.7	30.3	2
	(c)	Financial and Administrative Services				
546.0		Salaries and Employee Benefits	372.2	435.8	(63.6)	
76.1		Other Expenditures	102.1	48.5	53.6	3
18.3	(d)	Tax Appeals Commission	17.9	17.4	0.5	
	(e)	Francophone Affairs Secretariat				
720.0		Salaries and Employee Benefits	594.5	570.5	24.0	
592.5		Other Expenditures	486.8	403.5	83.3	
	(f)	Human Resource Services				
593.7		Salaries and Employee Benefits	524.3	570.7	(46.4)	
87.3		Other Expenditures	47.6	41.6	6.0	
	(g)	Information Technology Services				
1,205.7		Salaries and Employee Benefits	944.8	817.7	127.1	
124.9		Other Expenditures	146.2	83.0	63.2	4
		Less: Recoverable from Part B - Capital Investment		(231.9)	231.9	5
30.6	(h)	Independent Administrator	37.4	13.7	23.7	6
4,602.0		Subtotal 07- 1	3,973.1	3,327.3	645.8	
	07- 2	TREASURY				
	(a)	Administration				
123.8		Salaries and Employee Benefits	122.5	118.8	3.7	
115.6		Other Expenditures	103.7	127.2	(23.5)	
	(b)	Capital Markets				
606.8		Salaries and Employee Benefits	587.1	504.0	83.1	
74.7		Other Expenditures	60.0	34.7	25.3	
	(c)	Treasury and Banking Operations				
907.3		Salaries and Employee Benefits	847.1	795.8	51.3	
95.2		Other Expenditures	101.2	160.6	(59.4)	7
1,923.4		Subtotal 07- 2	1,821.6	1,741.1	80.5	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07-3	COMPTROLLER				
	(a)	Comptroller's Office				
434.6		Salaries and Employee Benefits	280.8	303.1	(22.3)	
48.2		Other Expenditures	50.8	51.9	(1.1)	
	(b)	Internal Audit and Consulting Services				
2,225.8		Salaries and Employee Benefits	1,916.8	1,694.7	222.1	
213.6		Other Expenditures	368.3	353.7	14.6	
	(c)	Disbursements and Accounting				
2,852.2		Salaries and Employee Benefits	2,353.5	2,198.2	155.3	
915.3		Other Expenditures	914.2	1,149.7	(235.5)	8
(510.0)		Less: Recoverable from Other Appropriations	(516.1)	(510.1)	(6.0)	
6,179.7		Subtotal 07-3	5,368.3	5,241.2	127.1	
	07-4	TAXATION				
	(a)	Management and Research				
2,151.3		Salaries and Employee Benefits	1,958.5	1,890.7	67.8	
269.7		Other Expenditures	262.2	244.7	17.5	
	(b)	Taxation Administration				
3,194.1		Salaries and Employee Benefits	2,974.4	2,811.1	163.3	
3,075.8		Other Expenditures	4,486.0	2,392.0	2,094.0	9
	(c)	Audit				
6,466.6		Salaries and Employee Benefits	6,001.8	5,588.7	413.1	
1,114.5		Other Expenditures	1,043.9	1,108.2	(64.3)	
	(d)	Tobacco Interdiction				
713.9		Salaries and Employee Benefits	506.5	404.1	102.4	10
251.5		Other Expenditures	180.2	198.1	(17.9)	
17,237.4		Subtotal 07-4	17,413.5	14,637.6	2,775.9	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07-5	FEDERAL-PROVINCIAL RELATIONS AND RESEARCH				
	(a)	Economic and Federal-Provincial Research				
1,762.4		Salaries and Employee Benefits	1,629.9	1,668.4	(38.5)	
1,169.0		Other Expenditures	1,136.2	994.1	142.1	
	(b)	Manitoba Tax Assistance Office				
380.4		Salaries and Employee Benefits	350.5	342.0	8.5	
131.8		Other Expenditures	87.2	106.0	(18.8)	
3,443.6		Subtotal 07-5	3,203.8	3,110.5	93.3	
	07-6	INSURANCE AND RISK MANAGEMENT				
369.1	(a)	Salaries and Employee Benefits	367.7	353.9	13.8	
58.1	(b)	Other Expenditures	49.8	51.3	(1.5)	
2,787.0	(c)	Insurance Premiums	1,657.6	2,129.1	(471.5)	11
(2,787.0)	(d)	Less: Recoverable from Other Appropriations	(1,657.6)	(2,129.1)	471.5	11
427.2		Subtotal 07-6	417.5	405.2	12.3	
	07-7	TREASURY BOARD SECRETARIAT				
5,501.4	(a)	Salaries and Employee Benefits	4,819.3	4,591.9	227.4	
820.7	(b)	Other Expenditures	1,014.2	967.3	46.9	
6,322.1		Subtotal 07-7	5,833.5	5,559.2	274.3	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07- 8	CONSUMER AND CORPORATE AFFAIRS				
	(a)	Administration and Research				
495.3		Salaries and Employee Benefits	329.4	462.4	(133.0)	12
213.9		Other Expenditures	250.1	232.4	17.7	
(210.0)		Less: Recoverable from Other Appropriations	(39.5)	(210.0)	170.5	13
	(b)	Consumers' Bureau				
1,159.5		Salaries and Employee Benefits	997.1	1,009.1	(12.0)	
268.0		Other Expenditures	655.6	264.8	390.8	14
99.8		Grants	99.8	99.8		
	(c)	Residential Tenancies Branch				
4,016.3		Salaries and Employee Benefits	3,585.3	3,533.8	51.5	
925.5		Other Expenditures	747.1	803.4	(56.3)	
	(d)	Financial Institutions Regulation				
778.9		Salaries and Employee Benefits	666.5	709.8	(43.3)	
260.9		Other Expenditures	156.4	181.1	(24.7)	
	(e)	Claimant Adviser Office - Automobile Injury Compensation Appeals				
324.6		Salaries and Employee Benefits	350.2	250.8	99.4	15
222.1		Other Expenditures	169.0	102.2	66.8	15
	(f)	Automobile Injury Compensation Appeal Commission				
822.0		Salaries and Employee Benefits	749.7	722.0	27.7	
274.0		Other Expenditures	254.0	288.5	(34.5)	
	(g)	Residential Tenancies Commission				
717.9		Salaries and Employee Benefits	667.0	611.7	55.3	
201.3		Other Expenditures	194.2	214.3	(20.1)	
10,570.0		Subtotal 07- 8	9,831.9	9,276.1	555.8	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07- 9	COSTS RELATED TO CAPITAL ASSETS				
	(a)	Desktop Services				
101.5		Amortization Expense - Transition	101.4	101.4	-	
189.2		Enterprise Software Licences	189.2	188.5	0.7	
2,551.2	(b)	Amortization Expense	2,551.8	2,383.2	168.6	
1,456.3	(c)	Interest Expense	1,408.6	1,453.4	(44.8)	
4,298.2		Subtotal 07- 9	4,251.0	4,126.5	124.5	
	07-10	NET TAX CREDIT PAYMENTS				
222,850.0		Education Property Tax Credit	228,756.6	183,237.3	45,519.3	
46,250.0		Personal Tax Credit	42,371.9	46,348.2	(3,976.3)	
2,320.0		School Tax Assistance for Tenants and Homeowners (55+)	1,598.2	2,170.2	(572.0)	
900.0		Political Contribution Tax Credit	1,013.2	624.9	388.3	
75.0		Riparian Property Tax Reduction	24.6	14.1	10.5	
984.0		Federal Administration Fee	987.6	974.1	13.5	
		Less: Recoverable from Education, Citizenship and Youth:				
(222,850.0)		Education Property Tax Credit	(228,756.6)	(183,237.3)	(45,519.3)	
(2,320.0)		School Tax Assistance for Tenants and Homeowners (55+)	(1,598.2)	(2,170.2)	572.0	
48,209.0		Subtotal 07-10	44,397.3	47,961.3	(3,564.0)	16

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Estimate 2007-2008		Appropriation	Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Explanation Number
	07-11	PUBLIC DEBT				
	(a)	Interest on:				
1,129,984.6		the Public Debt of Manitoba and related expenses	1,191,499.9	1,122,487.2	69,012.7	
107,100.0		departments' capital assets	97,254.5	89,557.5	7,697.0	
44,500.0		Trust and Special Funds	69,970.5	56,654.0	13,316.5	
	(b)	Less: Interest and Other Charges to be received from:				
(159,000.5)		Sinking Fund Investments	(165,620.3)	(196,053.2)	30,432.9	
(531,230.6)		Manitoba Hydro	(561,829.5)	(538,287.4)	(23,542.1)	
(28,096.7)		Manitoba Housing and Renewal Corporation	(28,126.3)	(28,361.5)	235.2	
(19,346.8)		Manitoba Agricultural Credit Corporation	(18,468.9)	(19,546.9)	1,078.0	
(11,311.4)		Other Government Agencies	(18,924.3)	(14,921.5)	(4,002.8)	
(102,108.6)		Other Loans and Investments	(170,528.4)	(121,731.6)	(48,796.8)	
(154,490.0)		Other Appropriations	(144,193.8)	(89,557.5)	(54,636.3)	
276,000.0		Subtotal 07-11	251,033.4	260,239.1	(9,205.7)	17
379,212.6		Total Expenditures	347,544.9	355,625.1	(8,080.2)	

Expenditure Variance Explanations

for expenditures for the fiscal year ended March 31, 2008 as compared to figures for the previous fiscal year

Explanation Number:

1. Increase is due to the in-year increase in the compensation to which an individual appointed to the Executive Council is entitled.
2. Increase is due to the costs associated with the retirement of the Deputy Minister.
3. Increase is due to the costs associated with the establishment of the Senior Assistant Deputy Minister's office.
4. Increase is essentially due to professional services costs.
5. Decrease in recoveries is due to the completion of the Integrated Taxation System (GenTax).
6. Increase is due to the full-year costs associated with the establishment of the Independent Administrator.
7. Decrease is essentially due to the consulting contract costs incurred in 2006/2007.
8. Decrease is essentially due to office renovations undertaken in 2006/2007.
9. Increase is due to an increase in the provision for doubtful accounts for taxation receivables.
10. Increase is due to reduced position vacancies.
11. Decrease is essentially due to the reduction in general liability premiums and lower aircraft hull and liability premiums.
12. Decrease is due to position vacancies.
13. Decrease is due to reduction in recoveries related to support services no longer provided.
14. Increase is due to the costs associated with the Pay Day Loans hearings conducted by the Public Utilities Board.
15. Increase reflects the additional activity to address increased workload.
16. Net decrease is essentially due to increase in average income of potential claimants resulting in a reduction of total benefits under formula as it applies to the Personal Tax Credit and prior year adjustments. An increase in the Education Property Tax Credit and corresponding recovery from Education, Citizenship and Youth is due to the increase in the credit to homeowners and renters from $400 to $525.
17. Decrease is primarily due to increased investment earnings and capital recoveries offset by borrowing and other costs.

Manitoba Finance

Revenue Summary by Source

for the fiscal year ended March 31, 2008 with comparative figures for the previous fiscal year ($000s)

Actual 2006-2007	Actual 2007-2008	Increase (Decrease)		Source	Actual 2007-2008	Estimate 2007-2008	Variance	Expl. No.
				TAXATION				
2,130,492.8	2,284,669.3	154,176.5	a	Individual Income Tax	2,284,669.3	2,159,400.0	125,269.3	1
310,586.6	366,817.7	56,231.1	b	Corporation Income Tax	366,817.7	279,100.0	87,717.7	2
156,133.8	165,779.3	9,645.5	c	Corporation Capital Tax	165,779.3	152,500.0	13,279.3	3
154,052.3	152,472.0	(1,580.3)	d	Gasoline Tax	152,472.0	147,000.0	5,472.0	4
61,376.8	65,232.8	3,856.0	e	Insurance Corporations Tax	65,232.8	62,000.0	3,232.8	5
38,196.5	44,731.2	6,534.7	f	Land Transfer Tax	44,731.2	38,500.0	6,231.2	6
317,654.1	341,382.7	23,728.6	g	Levy for Health and Education	341,382.7	328,800.0	12,582.7	7
2.6	2.6	0.0		Succession Duty and Gift Tax	2.6	0.0	2.6	
71.1	64.2	(6.9)	h	Mining Claim Lease Tax	64.2	64.2	0.0	
96,369.2	99,636.9	3,267.7	i	Mining Tax	99,636.9	107,000.0	(7,363.1)	8
86,737.5	95,721.4	8,983.9	j	Motive Fuel Tax	95,721.4	84,900.0	10,821.4	9
1,276,970.8	1,391,071.5	114,100.7	k	Retail Sales Tax	1,391,071.5	1,326,500.0	64,571.5	10
79,541.8	81,792.4	2,250.6	l	Tax Administration and Miscellaneous Taxes Act	81,792.4	79,400.0	2,392.4	11
201,576.3	190,627.3	(10,949.0)	m	Tobacco Tax	190,627.3	204,000.0	(13,372.7)	12
3,369.4	3,442.1	72.7	n	Environmental Protection Tax	3,442.1	3,200.0	242.1	
4,913,131.6	5,283,443.4	370,311.8		Subtotal	5,283,443.4	4,972,364.2	311,079.2	
				OTHER REVENUE				
1,119.9	1,093.6	(26.3)	a	Automobile Injury Appeals Commission Cost Recovery	1,093.6	1,179.3	(85.7)	
476.5	565.1	88.6	b	Claimant Adviser Office Cost Recovery	565.1	588.0	(22.9)	13
1,766.4	1,787.2	20.8	c	Consumer Affairs Fees	1,787.2	2,195.1	(407.9)	14
1,017.9	1,043.8	25.9	d	Insurance Act Fees and Cost Recovery	1,043.8	986.7	57.1	
5,745.7	5,484.3	(261.4)	e	Recovery of Prior Years' Expenditures	5,484.3	3,000.0	2,484.3	15
253.8	272.1	18.3	f	Trust and Loan Fees	272.1	245.0	27.1	
880.9	1,276.4	395.5	g	Sundry	1,276.4	668.1	608.3	16
11,261.1	11,522.5	261.4		Subtotal	11,522.5	8,862.2	2,660.3	
				GOVERNMENT OF CANADA				
1,709,430.0	1,825,796.0	116,366.0	a	Equalization	1,825,796.0	1,826,000.0	(204.0)	17
48,911.3	0.0	(48,911.3)	b	Bill C-48	0.0	0.0	0.0	18
773,090.3	816,684.0	43,593.7	c	Canada Health Transfer (CHT)	816,684.0	807,000.0	9,684.0	19
335,420.7	347,463.0	12,042.3	d	Canada Social Transfer (CST)	347,463.0	341,400.0	6,063.0	20
0.0	41,880.2	41,880.2	e	Community Development Trust	41,880.2	0.0	41,880.2	21
2,284.0	2,284.0	0.0	f	Government of Canada Subsidy	2,284.0	2,200.0	84.0	
2,869,136.3	3,034,107.2	164,970.9		Subtotal	3,034,107.2	2,976,600.0	57,507.2	
7,793,529.0	8,329,073.1	535,544.1		Total	8,329,073.1	7,957,826.4	371,246.7	

Revenue Variance Explanations
for the fiscal year ended March 31, 2008

EXPLANATION NUMBER:

1. **Individual Income Tax:** $154,176.5.1 over 2006/2007 Actual
$125,269.3 over 2007/2008 Estimate

Under the provisions of the Tax Collection Agreement between the Governments of Canada and Manitoba, based on estimates, Finance Canada makes advance payments for the tax years falling within the fiscal year. At the end of each year, adjustments to prior years are made based on actual tax returns assessed by Revenue Canada.

The increase in Individual Income Tax is due primarily to an increase in in-year (2007 and 2008) entitlements, which was due to an increase in national taxable income, as well as an increase in the prior year's adjustment provided by Finance Canada in the Final Determination of Payments to Manitoba for the 2006 Taxation Year.

2. **Corporation Income Tax:** $56,231.1 over 2006/2007 Actual
$87,717.7 over 2007/2008 Estimate

Under the provisions of the Tax Collection Agreement between the Governments of Canada and Manitoba, based on estimates, Finance Canada makes advance payments for the tax years falling within the fiscal year. At the end of each year, adjustments to prior years are made based on actual tax returns assessed by Revenue Canada.

The increase in Corporation Income Tax is due primarily to an increase in in-year (2007 and 2008) entitlements, which was due to an increase in national corporate taxable income, as well as a positive adjustment for the prior year based on the 2006 Final Determination of Payments to Manitoba from Finance Canada.

3. **Corporation Capital Tax:** $9,645.5 over 2006/2007 Actual
$13,279.3 over 2007/2008 Estimate

Increase is due to increased instalment payments received by corporations.

4. **Gasoline Tax:** $1,580.3 under 2006/2007 Actual
$5,472.0 over 2007/2008 Estimate

Decrease from 2006/2007 actual is due to the impact of the ethanol mandate effective January 1, 2008.

Increase from 2007/2008 estimate is due to delay in implementation of the full ethanol mandate.

Revenue Variance Explanations
for the fiscal year ended March 31, 2008

EXPLANATION NUMBER:

5. **Insurance Corporation Tax:** $3,856.0 over 2006/2007 Actual
$3,232.8 over 2007/2008 Estimate

Increase is due to higher number of policies written up and increased premiums on the higher value of insurance policies underwritten by insurers and special brokers on the increased value of real estate.

6. **Land Transfer Tax:** $6,534.7 over 2006/2007 Actual
$6,231.2 over 2007/2008 Estimate

Increase is due to continued strong real estate market resulting in more properties selling in the higher tax range.

7. **Levy for Health and Education:** $23,728.6 over 2006/2007 Actual
$12,582.7 over 2007/2008 Estimate

Increase is due to employment growth and wage settlements.

8. **Mining Tax:** $3,267.7 over 2006/2007 Actual
$7,363.1 under 2007/2008 Estimate

Increase over 2006/2007 actual is due to increased commodity prices and mineral extraction.

Decrease from 2007/2008 estimate is due to adjustments to the final year-end tax returns.

9. **Motive Fuel Tax:** $8,983.9 over 2006/2007 Actual
$10,821.4 over 2007/2008 Estimate

Increase is due to continued strength in the transportation and construction sectors.

10. **Retail Sales Tax:** $114,100.7 over 2006/2007 Actual
$64,571.5 over 2007/2008 Estimate

Increase is due to continued strength in the construction sector, an increase in capital purchases and higher than expected economic growth.

Revenue Variance Explanations
for the fiscal year ended March 31, 2008

EXPLANATION NUMBER:

11. **Tax Administration and Miscellaneous Taxes Act:** $2,250.6 over 2006/2007 Actual
$2,392.4 over 2007/2008 Estimate

Increase is due to increased consumption of electricity and natural gas as a result of colder winter temperatures.

12. **Tobacco Tax:** $10,949.0 under 2006/2007 Actual
$13,372.7 under 2007/2008 Estimate

Decrease is due to the impact of smuggling of illegal tobacco products.

13. **Claimant Adviser Office Cost Recovery:** $88.6 over 2006/2007 Actual

Increase is due to recovery of costs related to additional staffing and activity in 2007/2008.

14. **Consumer Affairs Fees:** $407.9 under 2007/2008 Estimate

Decrease from 2007/2008 estimate is due to delays in implementation of the Pay Day Loan and Residential Tenancies Branch Rehabilitation programs offset in part by the increase in Bedding and Upholstery fees.

15. **Recovery of Prior Years' Expenditures:** $2,484.3 over 2007/2008 Estimate

Increase is due to adjustments for prior year accruals, the redeposit of stale dated cheques as well as adjustments for other accruals and miscellaneous refunds.

16. **Sundry:** $395.5 over 2006/2007 Actual
$608.3 over 2007/2008 Estimate

Increase is essentially due to interest earned on Real Estate Trust Accounts held by the Manitoba Securities Commission.

17. **Equalization:** $116,366.0 over 2006/2007 Actual

Increase reflects the change in equalization entitlement calculations to the Expert Panel (O'Brien) Methodology, (adopted in the 2007 federal budget) versus 2006/2007 amounts calculated using the fixed framework methodology of the 2004 First Ministers Meeting on Equalization.

Revenue Variance Explanations
for the fiscal year ended March 31, 2008

EXPLANATION NUMBER:

18. **Bill C-48:** $48,911.3 under 2006/2007 Actual

Decrease from 2006/2007 actual is due to the expiration of one-time federal funding for the post-secondary education, the environment and affordable housing, as announced in the 2006 federal budget.

19. **Canada Health Transfer (CHT):** $43,593.7 over 2006/2007 Actual
$9,684.0 over 2007/2008 Estimate

Increase from 2006/2007 actual is the result of higher payments provided under the 10-Year Plan to Strengthen Health care as agreed at the October 2004 First Ministers' Meeting.

Increase from 2007/2008 estimate is due to unanticipated positive adjustments to prior year payment levels, offset by a negative in-year amount. Prior year adjustments are recognized as revenue in the year adjustments become known and measurable.

20. **Canada Social Transfer (CST):** $12,042.3 over 2006/2007 Actual
$6,063.0 over 2007/2008 Estimate

The CST provides support to provinces and territories for social services, children programming and post-secondary education. The 2007 federal budget extended the program to 2013/2014 and moved to an equal per capita cash allocation. Increase from 2006/2007 actual is the result of higher scheduled federal funding in 2007/2008.

Increase from 2007/2008 estimate is due to unanticipated positive adjustments to prior year entitlements, offset by a negative in-year amount. Prior year adjustments are recognized as revenue in the year the adjustments become known and measurable.

21. **Community Development Trust:** $41,880.2 over 2006/2007 Actual
$41,880.2 over 2007/2008 Estimate

Increase from 2006/2007 actual and 2007/2008 estimate reflects Manitoba's share of one-time federal funding for the Community Development Trust. The Government of Canada announced the establishment of the trust in January 2007. The funding will assist workers, communities and industries experiencing economic hardship due to international economic volatility.

Manitoba Finance

Five-Year Operating Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ended March 31, 2004 to March 31, 2008 *

Main Appropriation		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008	
		FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s
07-1	Administration and Finance	38.25	3,062.4	37.25	3,297.6	39.25	3,354.9	42.25	3,327.3	42.25	3,973.1
07-2	Treasury	25.00	1,676.9	25.00	1,599.2	25.00	1,623.2	25.00	1,741.1	25.00	1,821.6
07-3	Comptroller	68.50	4,500.9	68.50	4,856.1	70.50	4,951.7	73.50	5,241.2	77.00	5,368.3
07-4	Taxation	194.92	17,505.5	193.50	14,500.9	191.50	15,834.6	193.50	14,637.6	196.50	17,413.5
07-5	Federal-Provincial Relations and Research	29.25	3,030.1	29.25	2,889.7	28.25	3,126.1	28.25	3,110.5	28.25	3,203.8
07-6	Insurance and Risk Management	5.20	397.3	5.20	364.6	5.20	394.5	5.20	405.2	5.20	417.5
07-7	Treasury Board Secretariat	66.00	5,035.2	65.00	5,226.9	63.00	5,489.9	64.00	5,559.2	64.00	5,833.5
07-8	Consumer and Corporate Affairs	111.78	7,486.9	114.78	7,952.4	117.28	8,479.0	115.28	9,276.1	124.78	9,831.9
07-9	Costs Related to Capital Assets		3,941.0		4,171.2		4,049.8		4,126.5		4,251.0
Total Departmental Operating Appropriations		538.90	46,636.2	538.48	44,858.6	539.98	47,303.7	546.98	47,424.7	562.98	52,114.2
07-10	Net Tax Credit Payments		48,867.2		51,088.5		50,656.3		47,961.3		44,397.3
07-11	Public Debt (Statutory)		251,165.4		240,542.3		259,796.8		260,239.1		251,033.4
Total Appropriations		538.90	346,668.8	538.48	336,489.4	539.98	357,756.8	546.98	355,625.1	562.98	347,544.9

* Actual expenditures have been adjusted for comparative purposes. Adjustments are for: i) the transfers in 2003/2004 of Human Resource Services from Infrastructure and Transportation and from Education, Citizenship and Youth, and Legislative Building Information Systems and Enterprise System Management to Science, Technology, Energy and Mines, ii) transfer in 2005/2006 to Science, Technology, Energy and Mines of Financial Systems Support and Information Technology restructuring and iii) the transfer in 2006/2007 of the Public Utilities Board to Competitiveness, Training and Trade. Public Debt actual expenditures for 2003/2004 have been adjusted for the allocation of interest related to the capitalization of infrastructure assets.

PERFORMANCE REPORTING

The following section provides information on key performance measures for the department for the 2007/2008 reporting year. This is the third year in which all Government of Manitoba departments have included a Performance Measurement section, in a standardized format, in their Annual Reports.

Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit www.manitoba.ca/performance.

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2007/2008 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
Collection rate of statutory taxation revenues (excluding personal and corporate income taxes) owing to the province by comparing revenue amounts collected to amounts owing.	The effectiveness of these activities is directly related to the protection of provincial revenues in the face of technological change in the marketplace and increasingly aggressive tax planning by business and tax professionals.	99.8% of amounts owing to the province were collected in 2005/2006.	99.8% of amounts owing to the province were collected in 2007/2008.	The department strives to continually enhance collection enforcement legislation and processes which should result in the write off percentage remaining relatively consistent at this level over time.	
The effective management of public debt by measuring the net cost of servicing the general government program borrowings as a percentage of provincial revenue.	To provide a measure of the efficiency of public debt management program as well as an indicator whether the province has more to spend on operations as opposed to debt servicing costs.	The province's net cost of servicing the general government program borrowings as a percent of provincial revenue as at March 31, 2004 is 4.2%.	The province's net cost of servicing the general government program borrowings as a percent of provincial revenue as at March 31, 2008 is 2.8%.	Decreasing. Manitoba continues to effectively manage and realize its long-term goals to reduce its debt and debt servicing costs to provincial revenue ratio.	Active monitoring of global financial markets and prudent financial risk management strategies are pursued on an ongoing basis to manage volatility and costs.

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2007/2008 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
The province's ability to borrow at a cost-effective rate by examining the credit rating for the province.	This measure is a key independent, third-party assessment of the province's credit-worthiness and is an important consideration for investors in Manitoba government bonds and other securities.	Ratings as at March 31, 2002 are: • Aa3 (Stable) Moody's Investors Service • AA- (Stable) Standard & Poor's • A (Stable) Dominion Bond Rating Service	Ratings as at March 31, 2008 are: • Aa1 (Stable) Moody's Investors Service • AA (Stable) Standard & Poor's • A (High) (Stable) Dominion Bond Rating Service	Manitoba's credit profile continues to improve aided by solid fiscal results over the past few years, its prudent fiscal management and the declining net debt to GDP burden.	
Client perceived fairness and effectiveness with decisions of the Residential Tenancies Branch as measured by the rate of appeals of decisions under *The Residential Tenancies Act*.	To ensure that the branch's hearing processes and decisions continue to be fair and effective.	3,198 orders were issued under Parts 1 – 8 of *The Residential Tenancies Act* (landlord and tenant disputes) in 2005/2006 of which 568 (17.8%) were appealed. Orders were issued for 469 cases under Part 9 of the Act (rent regulation matters) in 2005/2006 of which 98 (20.9%) were appealed.	2,862 orders were issued under Parts 1 – 8 of *The Residential Tenancies Act* (landlord and tenant disputes) in 2007/2008 of which 482 (16.8%) were appealed. Orders were issued for 786 cases under Part 9 of the Act (rent regulation matters) in 2007/2008 of which 77 (9.8%) were appealed.	At just under 17%, the 2007/2008 appeal rate for Parts 1 - 8 matters is historically consistent with previous years and the appeal rate for Part 9 matters is traditionally 20%.	The branch's new computer system has changed the way statistics are gathered and reported. As a result, 2005/2006 baseline information has been restated to reflect this.

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counselling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with Section 18 of the Act.

The following is a summary of disclosures received by Manitoba Finance and the Companies Office, The Property Registry and the Vital Statistics Agency for fiscal year 2007/2008:

Information Required Annually **(per Section 18 of The Act)**	**Fiscal Year 2007/2008**
The number of disclosures received, and the number acted on and not acted on. *Subsection 18(2)(a)*	**NIL**
The number of investigations commenced as a result of a disclosure. *Subsection 18(2)(b)*	**NIL**
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. *Subsection 18(2)(c)*	**NIL**